

# **Exhibit A**

ZCC D713544 00  
1309516  
Original Insured

SUPERIOR KNIFE LLC

1225 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007

SUPERIOR KNIFE LLC  
1225 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007

SUPERIOR KNIFE LLC

1225 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007



## **Customer Notice of Privacy Policy and Producer Compensation Practices Disclosures**

### **Privacy Policy Disclosure**

#### **Collection of Information**

We collect personal information so that we may offer quality products and services. This information may include, but is not limited to, name, address, Social Security number, and consumer reports from consumer reporting agencies in connection with your application for insurance or any renewal of insurance. For example, we may access driving records, insurance scores or health information. Our information sources will differ depending on your state and/or the product or service we are providing to you. This information may be collected directly from you and/or from affiliated companies, non-affiliated third parties, consumer reporting agencies, medical providers and third parties such as the Medical Information Bureau.

We, and the third parties we partner with, may track some of the web pages you visit through cookies, pixel tagging or other technologies. We currently do not process or comply with any web browser's "do not track" signals or similar mechanisms that request us to take steps to disable online tracking. For additional information regarding online privacy, please see our online privacy statement, located at [www.hanover.com](http://www.hanover.com).

#### **Disclosure of Information**

We may disclose non-public, personal information you provide, as required to conduct our business and as permitted or required by law. We may share information with our insurance company affiliates or with third parties that assist us in processing and servicing your account. We also may share your information with regulatory or law enforcement agencies, reinsurers and others, as permitted or required by law.

Our insurance companies may share information with their affiliates, but will not share information with non-affiliated third parties who would use the information to market products or services to you.

Our standards for disclosure apply to all of our current and former customers.

#### **Safeguards to Protect Your Personal Information**

We recognize the need to prevent unauthorized access to the information we collect, including information held in an electronic format on our computer systems. We maintain physical, electronic and procedural safeguards intended to protect the confidentiality and integrity of all non-public, personal information, including but not limited to social security numbers, driver's license numbers and other personally identifiable information.

#### **Internal Access to Information**

Access to personal, non-public information is limited to those people who need the information to provide our customers with products or services. These people are expected to protect this information from inappropriate access, disclosure and modification.

#### **Consumer Reports**

In some cases, we may obtain a consumer report in connection with an application for insurance. Depending on the type of policy, a consumer report may include information about you or your business, such as:

- character, general reputation, personal characteristics, mode of living;
- credit history, driving record (including records of any operators who will be insured under the policy); and/or
- an appraisal of your dwelling or place of business that may include photos and comments on its general condition.

#### **Access to Information**

Upon written request, we will inform you if we have ordered an investigative consumer report. You have the right to make a written request within a reasonable period for information concerning the nature and scope of the report and to be interviewed as part of its preparation. You may obtain a copy of the report from the reporting agency and, under certain circumstances, you may be entitled to a copy at no cost.

You also may review certain information we have about you or your business in our files. To review information we maintain in our files about you or your business, please write to us, providing your complete name, address and policy number(s), and indicating specifically what you would like to see. If you request actual copies of your file, there may be a nominal charge.

We will tell you to whom we have disclosed the information within the two years prior to your request. If there is not a record indicating that the information was provided to another party, we will tell you to whom such information is normally disclosed.



There is information that we cannot share with you. This may include information collected in order to evaluate a claim under an insurance policy, when the possibility of a lawsuit exists. It may also include medical information that we would have to forward to a licensed medical doctor of your choosing so that it may be properly explained.

#### **Correction of Information**

If after reviewing your file you believe information is incorrect, please write to the consumer reporting agency or to us, whichever is applicable, explaining your position. The information in question will be investigated. If appropriate, corrections will be made to your file and the parties to whom the incorrect information was disclosed, if any, will be notified. However, if the investigation substantiates the information in the file, you will be notified of the reasons why the file will not be changed. If you are not satisfied with the evaluation, you have the right to place a statement in the file explaining why you believe the information is incorrect. We also will send a copy of your statement to the parties, if any, to whom we previously disclosed the information and include it in any future disclosures.

#### **Our Commitment to Privacy**

In the insurance and financial services business, lasting relationships are built upon mutual respect and trust. With that in mind, we will periodically review and revise our privacy policy and procedures to ensure that we remain compliant with all state and federal requirements. If any provision of our privacy policy is found to be non-compliant, then that provision will be modified to reflect the appropriate state or federal requirement. If any modifications are made, all remaining provisions of this privacy policy will remain in effect. For more detailed information about our customer privacy policy (including any applicable state-specific policies) and our online privacy statement, visit our Web site, located at [www.hanover.com](http://www.hanover.com).

#### **Further Information**

If you have questions about our customer privacy policy (including any applicable state-specific policies) or our online privacy statement, or if you would like to request information we have on file, please write to us at our Privacy Office, N435, The Hanover Insurance Group, Inc., 440 Lincoln Street, Worcester, MA 01653. Please provide your complete name, address and policy number(s). A copy of our Producer Compensation Disclosure is also available upon written request addressed to the attention of the Corporate Secretary, N435, The Hanover Insurance Group, 440 Lincoln Street, Worcester, MA 01653.

#### **Producer Compensation Disclosure**

Our products are sold through independent agents and brokers, often referred to as "Producers." We may pay Producers a fixed commission for placing and renewing business with our company. We may also pay additional commission and other forms of compensation and incentives to Producers who place and maintain their business with us. Details of our Producer compensation practices may be found at [www.hanover.com](http://www.hanover.com).

This notice is being provided on behalf of the following Hanover Companies: The Hanover Insurance Group, Inc. - Allmerica Financial Alliance Insurance Company - Allmerica Financial Benefit Insurance Company - Allmerica Plus Insurance Agency, Inc. - Citizens Insurance Company of America - Citizens Insurance Company of Illinois - Citizens Insurance Company of the Midwest - Citizens Insurance Company of Ohio - Citizens Management, Inc. - AIX Ins. Services of California, Inc.- Campania Insurance Agency Co. Inc.- Campmed Casualty & Indemnity Co. Inc. - Chaucer Syndicates Limited- Educators Insurance Agency, Inc.- Hanover Specialty Insurance Brokers, Inc. - The Hanover American Insurance Company - The Hanover Insurance Company - The Hanover New Jersey Insurance Company - The Hanover National Insurance Company - Hanover Lloyd's Insurance Company - Massachusetts Bay Insurance Company - Opus Investment Management, Inc. - Professionals Direct Insurance Services, Inc. -Professional Underwriters Agency, Inc.- Verlan Fire Insurance Company - Nova Casualty Company - AIX Specialty Insurance Company.



THIS NOTICE IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT, AS AMENDED. THIS NOTICE DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THIS POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

## **NOTICE – ACCEPTANCE OF TERRORISM COVERAGE AND DISCLOSURE OF PREMIUM**

### **Schedule**

<b>Disclosure of Premium:</b>	
Total Terrorism Premium	<b>\$ 121</b>
Fire Following Premium	<b>\$ 33</b>
Other than Fire Following Premium	<b>\$ 88</b>

Coverage for “acts of terrorism,” as defined in Section 102(1) of the Terrorism Risk Insurance Act (“Act”) is included in your policy. You are hereby notified that under the Act, as amended in 2015, the definition of “act of terrorism” is:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States’ government by coercion.

### **Disclosure of Federal Participation in Payment of Terrorism Losses**

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

### **Cap on Insurer Participation in Payment of Terrorism Losses**

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers’ liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

THIS NOTICE IS PROVIDED IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS NOTICE DOES NOT GRANT COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF COVERAGE UNDER THE POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

### Schedule

<b>Disclosure of Premium:</b>	
Total Terrorism Premium	<b>\$ 121</b>
Fire Following Premium	<b>\$ 33</b>
Other than Fire Following Premium	<b>\$ 88</b>

### Disclosure of Terrorism Coverage Available

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from "acts of terrorism" defined in Section 102(1) of the Act as follows:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

The premium charged for this coverage is provided in the Schedule above and does not include any charges for the portion of loss that may be covered by the Federal Government as described below.

Your policy may contain other exclusions which could affect your coverage, such as an exclusion for Nuclear Events or Pollution. **Please read your policy carefully.**

### Note for Commercial Property or Commercial Inland Marine Policyholders in Standard Fire States:

In your state, a terrorism exclusion makes an exception for (and therefore provides coverage for) fire losses resulting from an act of terrorism. If you reject the offer of terrorism coverage, therefore, that rejection does not apply to fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy. The additional premium just for such fire coverage is shown in the Schedule above.

### Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

### Cap on Insurer Participation in Payment of Terrorism Losses

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers' liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

### Rejection of Terrorism Insurance Coverage

☐ I decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

\_\_\_\_\_  
Applicant/Policyholder Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Citizens Insurance Company Of Illinois

\_\_\_\_\_  
Insurance Company

\_\_\_\_\_  
ZCC D713544 00

\_\_\_\_\_  
Quote or Policy Number



ZCC D713544 00

**Citizens Insurance Company of Illinois (A Stock Company)**  
**333 West Pierce Road, Suite 300, Itasca, IL 60143-3114**  
**Commercial Line Policy**  
**Common Declarations**

CM

Policy Number	Policy Period		Coverage is Provided in the:	Agency Code
	From	To		
ZCC D713544 00	10/01/2018	10/01/2019	Citizens Insurance Company of Illinois	1309516

**Named Insured and Address :****Agent :**

SUPERIOR KNIFE LLC  
 1225 ARTHUR AVE  
 ELK GROVE VILLAGE IL 60007

ACRISURE, LLC  
 DBA WINE SERGI INS. GROUP  
 1000 E WARRENVILLE RD #101  
 NAPERVILLE IL 60563

**Branch :** Chicago Branch Office  
**Policy Period :** **From** 10/01/2018 **To** 10/01/2019  
 12:01 A.M. Standard Time at Your Mailing Address Shown Above.  
**Business Description:** Knife Sharpening Company  
**Legal Entity:** Limited Liability Corporation

In Consideration of the premium, insurance is provided the Named Insured with respect to those premises described in the attached schedule(s) for which a specific limit of insurance is shown. This is subject to all terms of this policy including Common Policy Conditions. Coverage Parts, Forms and Endorsements may be subject to adjustment and/or a policy minimum premium.

<b>Commercial Property Coverage</b>	\$2,637.00
<b>Commercial General Liability Coverage</b>	\$4,505.00
<b>Cyber Liability Coverage</b>	\$100.00
<b>Commercial Inland Marine Coverage</b>	\$671.00
<b>Commercial Crime Coverage</b>	Not Covered
<b>Commercial Auto Coverage</b>	Not Covered
<b>Total Surcharges Premium</b>	N/A
<b>Additional Premium For Policy Minimum</b>	N/A
<b>** Total</b>	\$7,913.00

\*\*INCLUDES PREMIUM, IF ANY, FOR TERRORISM; REFER TO DISCLOSURE NOTICE

Countersigned \_\_\_\_\_ By \_\_\_\_\_

10 Pay - 20% Down



SUPERIOR KNIFE LLC

ZCC D713544 00

ACRISURE, LLC

Group Number ZCL



SUPERIOR KNIFE LLC

ZCC D713544 00

ACRISURE, LLC

### Locations of All Premises You Own, Rent or Occupy

#### Location: 1

1225 ARTHUR AVE  
Elk Grove Village IL  
60007

#### Location: 2

8120 CENTRAL PARK AVE  
Skokie IL  
60076

### Forms Applicable to all Coverage Parts:

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
331-0053	08/16	Illinois Inquiry Notice
401-1127	01/15	Notice - Acceptance Of Terrorism Coverage and Disclosure Of Premium
401-1337	02/16	Trade Or Economic Sanctions Endorsement
401-1374	01/15	Offer Disclosure Pursuant To Terrorism Risk Insurance Act
401-1377	12/14	Company Address Listing
IL 00 03	09/08	Calculation of Premium
IL 00 17	11/98	Common Policy Conditions
IL 00 21	09/08	Nuclear Energy Liability Exclusion Endorsement
IL 01 47	09/11	IL Changes - Civil Union
IL 01 62	10/13	Illinois Changes - Defense Costs
IL 02 84	12/05	Illinois Changes - Cancellation And Nonrenewal
IL 09 35	07/02	Exclusion of Certain Computer-Related Losses
IL 09 52	01/15	Cap On Losses From Certified Acts of Terrorism
SIG 11 00	11/17	Signature Page



SUPERIOR KNIFE LLC

ZCC D713544 00

ACRISURE, LLC

**Commercial Property Coverage Part Declaration****Total Property Premium**

\$2,637.00

Coverages Provided:

Insurance at the Described Premises applies only for the coverage shown below:

**LOC    BLDG**

2	1	<b>Occupancy:</b>	Cutlery (not powered) and Flatware Mfg.
		<b>Territory:</b>	087
		<b>Construction:</b>	Masonry Noncombustible
		<b>Protection Class:</b>	1

**LOC    BLDG**

2	1	<b><u>Coverage:</u></b>	<b><u>Cause of Loss:</u></b>	<b><u>Premiums:</u></b>
		Contents All Inclusive	Special	\$1,348.00
		<b>Limit Of Insurance:</b>	\$1,514,000.00	
		<b>Replacement Cost</b>		

		<b>Coinsurance:</b>	80%
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**LOC    BLDG**

2	1	<b><u>Coverage:</u></b>	<b><u>Cause of Loss:</u></b>	<b><u>Premiums:</u></b>
		Business Income	Special	\$255.00
		<b>Limit Of Insurance:</b>	\$500,000.00	
		<b>Coinsurance</b>	80%	
		<b>Extended Period of Indemnity</b>	60 Days Included	
		<b>Business Income Time Deductible</b>	72 Hours	

**LOC    BLDG    DED BY LOC**

2	1	<b><u>APPLICABLE DEDUCTIBLE</u></b>	
		Windstorm/Hail Deductible	\$1,000.00
		Theft Deductible:	\$1,000.00
		Other Deductible:	\$1,000.00



SUPERIOR KNIFE LLC

ZCC D713544 00

ACRISURE, LLC

### Commercial Property Coverage Part Declaration

**Additional Premium for Property Minimum :** N/A

<b><u>Miscellaneous/Optional Property Coverages:</u></b>	<b><u>PREMIUM</u></b>
Data Breach	\$55.00
Boiler / Machinery / Equipment Breakdown	\$211.00
Emergency Event Management Coverage	\$19.00
Terrorism Premium	\$55.00
Gold Property Broadening Endorsement	\$545.00
Manufacturing Property Broadening Endorsement	\$149.00





SUPERIOR KNIFE LLC

ZCC D713544 00

ACRISURE, LLC

### Forms Applicable to Property Coverage Parts:

<b><u>Form Number</u></b>	<b><u>Edition Date</u></b>	<b><u>Description</u></b>
411-0610	04/14	Emergency Event Management
411-0669	01/15	Data Breach Coverage Form
411-0679	04/10	Associates And Family Members Additional Coverage Endorsement
411-0681	12/09	Identity Theft Resolution Services
411-0793	04/14	Gold Property Broadening Endorsement
411-0815	04/14	Manufacturing Property Broadening Endorsement
411-0926	05/17	Illinois Changes - Data Breach Coverage Form
451-0038	11/16	Equipment Breakdown Coverage (Including Electronic Circuitry Impairment)
451-0039	11/16	Commercial Property Coverage Part Equipment Breakdown Coverage Schedule
451-0066	11/16	Important Notice To Policyholders
CP 00 10	10/12	Building and Personal Property Coverage Form
CP 00 30	10/12	Business Income (And Extra Expense) Coverage Form
CP 00 90	07/88	Commercial Property Conditions
CP 01 40	07/06	Exclusion of Loss Due to Virus or Bacteria
CP 01 49	06/07	Illinois Changes - Artificially Generated Electrical Current Exclusion
CP 04 11	10/12	Protective Safeguards
CP 10 30	10/12	Cause of Loss - Special Form
IL 01 18	02/17	Illinois Changes



SUPERIOR KNIFE LLC

ZCC D713544 00

ACRISURE, LLC

## Commercial General Liability Coverage Part Declaration

Audit Frequency: Annual

**Limits of Insurance:**

<b>General Aggregate Limit</b>	\$2,000,000
<b>Products-Completed Operations Aggregate Limit</b>	\$2,000,000
<b>Each Occurrence Limit</b>	\$1,000,000
<b>Personal and Advertising Injury Limit</b>	\$1,000,000
<b>Damage to Premises Rented to You Limit</b>	\$100,000
<b>Medical Expense Limit, Any One Person</b>	\$10,000
<b>General Liability Deductible:</b>	
<b>Total Advance Commercial General Liability Premium</b>	\$4,505.00

THIS POLICY CONTAINS AGGREGATE LIMITS; REFER TO SECTION III - LIMITS OF INSURANCE FOR DETAILS

### Forms Applicable to General Liability Coverage Parts:

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
421-0022	12/90	Asbestos Liability Exclusion
421-0330	06/15	Exclusion Tobacco And Electronic Cigarette Liability
421-2915	06/15	Commercial General Liability Broadening Endorsement
421-2916	06/15	Commercial General Liability Enhancement Endorsement
CG 00 01	04/13	Commercial General Liability Coverage Form - Occurrence
CG 02 00	01/18	Illinois Changes - Cancellation and Nonrenewal
CG 04 35	12/07	Employee Benefits Liability Coverage
CG 21 06	05/14	Exclusion - Access or Disclosure of Confidential or Personal Information and Data-Related Liability - With Limited Bodily Injury Exception
CG 21 47	12/07	Employment - Related Practices Exclusion
CG 21 55	09/99	Total Pollution With a Hostile Fire Exception
CG 21 67	12/04	Fungi or Bacteria Exclusion
CG 21 70	01/15	Cap On Losses From Certified Acts of Terrorism
CG 21 76	01/15	Exclusion of Punitive Damages Related To A Certified Act Of Terrorism
CG 21 96	03/05	Silica or Silica-Related Dust Exclusion



SUPERIOR KNIFE LLC

ZCC D713544 00

ACRISURE, LLC

**Commercial General Liability Classification Schedule Declaration**

<u>LOC</u>	<u>ST</u>	<u>TERR</u>	<u>CODE</u>	<u>SUBLINE</u>	<u>PREMIUM BASIS</u>	<u>PER</u>	<u>RATE</u>	<u>ADVANCE PREMIUM</u>
2	IL	506	12362	334	\$750,000 Receipts (Sales)	1,000	.153	\$115.00
2	IL	506	12362	336	\$750,000 Receipts (Sales)	1,000	.525	\$394.00

Distributors no food or drink

<u>LOC</u>	<u>ST</u>	<u>TERR</u>	<u>CODE</u>	<u>SUBLINE</u>	<u>PREMIUM BASIS</u>	<u>PER</u>	<u>RATE</u>	<u>ADVANCE PREMIUM</u>
2	IL	506	51999	334	\$2,750,000 Receipts (Sales)	1,000	.206	\$567.00
2	IL	506	51999	336	\$2,750,000 Receipts (Sales)	1,000	1.021	\$2,808.00

Cutlery (not powered) and Flatware Mfg.

**Miscellaneous/Optional General Liability Coverages****Advance Premium**

Employee Benefits Coverage	\$316.00
Terrorism Premium	\$55.00
CGL Enhancement	\$250.00

Additional Premium for Coverage Minimum: N/A

**Total Advance General Liability Premium** \$4,505.00

<b>Subline</b>	<b>334</b>	<b>Premises and Operations</b>
<b>Subline</b>	<b>336</b>	<b>Products and/or Completed Operations</b>



## CYBER DECLARATIONS

### CLAIMS-MADE WARNING

THIS COVERAGE PART INCLUDES COVERAGES WRITTEN ON A CLAIMS-MADE BASIS SUBJECT TO ITS TERMS. CLAIMS-MADE COVERAGE APPLIES ONLY TO "CLAIMS" FIRST MADE AGAINST THE "INSUREDS" DURING THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD. PLEASE READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE AND COVERAGE RESTRICTIONS.

### "DEFENSE EXPENSES" WITHIN LIMITS AND DEDUCTIBLE

THE LIMITS OF LIABILITY WILL BE REDUCED AND CAN BE COMPLETELY EXHAUSTED BY THE PAYMENT OF COVERED "DEFENSE EXPENSES". IN THE EVENT THAT THE LIMIT OF LIABILITY IS EXHAUSTED, THE "INSURER" SHALL NOT BE LIABLE FOR "DEFENSE EXPENSES", JUDGMENTS OR SETTLEMENTS IN EXCESS OF THE APPLICABLE LIMIT. INSURING AGREEMENTS A. AND B. ARE SUBJECT TO DEDUCTIBLE AMOUNTS STATED IN THE DECLARATIONS. AMOUNTS INCURRED FOR "DEFENSE EXPENSES" ARE SUBJECT TO THE APPLICABLE DEDUCTIBLE.

Policy Number	Coverage is provided by:
ZCC D713544 00	<b>Citizens Insurance Company of Illinois</b> <i>(A Stock Company)</i> 333 West Pierce Road, Suite 300 Itasca, IL 60143-3114
<b>Item 1. NAMED INSURED:</b>	
SUPERIOR KNIFE LLC 1225 ARTHUR AVE ELK GROVE VILLAGE IL 60007	
<b>Item 2. POLICY PERIOD</b>	
Inception Date: 10/01/2018                      Expiration Date: 10/01/2019 (12:01 AM standard time at the address shown in <b>Item 1.</b> )	
<b>Item 3. AGGREGATE LIMIT OF LIABILITY FOR THIS COVERAGE PART</b>	
Maximum Aggregate Limit of Liability	\$50,000



<b>Item 4. INSURING AGREEMENTS</b>			
<b>Prior and Pending Proceedings Date:</b>		10/01/2018	
<b>Retroactive Date:</b>		10/01/2018	
<b>Insuring Agreement</b>	<b>Limits of Liability</b>	<b>Deductible</b>	<b>Premium</b>
A. Privacy and Security Liability	\$50,000	\$5,000	\$50
B. Cyber Media Liability	\$50,000	\$5,000	\$50
<b>Item 5. PREMIUM FOR COVERAGE PART</b>			\$100
<b>Item 6. FORMS OR ENDORSEMENTS ATTACHED AT ISSUE:</b>			
<b><u>Form Number</u></b>	<b><u>Edition Date</u></b>	<b><u>Name</u></b>	
850-0001	01/15	Cyber Coverage Part	
850-0025	01/15	Illinois Amendatory Endorsement	



SUPERIOR KNIFE LLC

ZCC D713544 00

ACRISURE, LLC

**Inland Marine Declaration****Total Inland Marine Premium****\$671.00**

Coverages Provided:

Insurance at the Described Premises applies only for the coverage shown below:

<u>LOC</u>	<u>BLDG</u>	<u>Type of Coverage</u>	<u>Premium</u>
2	1	Misc Property Floaters	\$150.00
		Limit	\$15,000.00
		Deductible	\$1,000.00
		Coinsurance	See Form
		Schedule	See Form
		Reporting Form	Non-Reporting

**Additional Premium for Inland Marine Minimum:**

N/A

**Miscellaneous/Optional Inland Marine Coverages:****PREMIUM**

Contractors' Equipment Coverage

\$510.00

Terrorism Premium

\$11.00



SUPERIOR KNIFE LLC

ZCC D713544 00

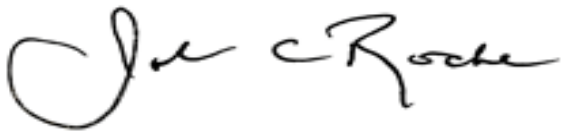
ACRISURE, LLC

**Forms Applicable to Inland Marine Coverage Parts:**

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
CL 01 20	10/08	Amendatory Endorsement - Illinois
CL 06 00	01/15	Certified Terrorism Loss
CL 07 00	10/06	Virus OR Bacteria Exclusion
CM 00 01	09/04	Commercial Inland Marine Conditions
CM 01 50	03/10	Illinois Changes - Artificially Generated Current Exclusion
IM 20 2	07/05	Deductible Waiver for Lojack Brand Protection System
IM 20 27	08/09	Amendatory Endorsement - Illinois
IM 70 00	04/04	Contractors' Equipment Coverage
IM 70 05	04/04	Schedule of Coverages - Contractors Equipment Coverage
IM 70 31	04/04	Equipment Schedule - Contractors' Equipment - Valuation Basis
IM 75 00	10/09	Scheduled Property Floater
IM 75 06	10/09	Schedule of Coverages - Scheduled Property Floater

THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

**In Witness Whereof**, this company has caused this policy to be signed by its President and Secretary and countersigned on the declarations page, where required, by a duly authorized agent of the company.

A handwritten signature in black ink, appearing to read "John C. Roche". The signature is fluid and cursive, with the first letter of each name being capitalized and prominent.

John C. Roche  
President

A handwritten signature in black ink, appearing to read "Charles F. Cronin". The signature is fluid and cursive, with the first letter of each name being capitalized and prominent.

Charles Frederick Cronin  
Secretary



## ILLINOIS INQUIRY NOTICE

In accordance with Illinois statute 215 ILCS 5/143c, the following information is provided:

This notice is to advise you that should any complaints arise regarding this insurance, you may contact the following:

The Hanover Insurance Company, Massachusetts Bay Insurance Company, Citizens Insurance Company of America, Citizens Insurance Company of Midwest, Citizens Insurance Company of Illinois, Allmerica Financial Benefit Insurance Company, Allmerica Financial Alliance Insurance Company and The Hanover American Insurance Company, complaint department for policies written through agencies located in the state of Illinois is:

**Complaint Department  
The Hanover Insurance Group  
333 W. Pierce Road  
Suite 300  
Itasca, Illinois 60143  
1-800-685-5669**

The address of the Consumer Division or Public Services Section of the Illinois Department of Insurance is:

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
320 W. Washington Street  
Springfield, Illinois 62767  
Or**

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
122 S Michigan Ave 19<sup>th</sup> Floor  
Chicago, IL 60603  
1-312-814-2420**

**Or**

**<http://insurance.illinois.gov>**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **TRADE OR ECONOMIC SANCTIONS ENDORSEMENT**

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

## IMPORTANT INFORMATION ABOUT YOUR INSURANCE COMPANY

The Home Office address for the Insurance Company shown on the policy Declarations page is:

**Allmerica Financial Alliance Insurance Company**

*(A Stock Company)*

440 Lincoln Street

Worcester, MA 01653-0002

**The Hanover American Insurance Company**

*(A Stock Company)*

440 Lincoln Street

Worcester, MA 01653-0002

**Allmerica Financial Benefit Insurance Company**

*(A Stock Company)*

440 Lincoln Street

Worcester, MA 01653-0002

**The Hanover Insurance Company**

*(A Stock Company)*

440 Lincoln Street

Worcester, MA 01653-0002

**Campmed Casualty & Indemnity Company, Inc.**

*(A Stock Company)*

12100 Sunset Hills Road, Suite 300

Reston, VA 20190-3295

**Hanover Lloyds Insurance Company**

*(A Texas Lloyd's Plan Company)*

440 Lincoln Street

Worcester, MA 01653-0002

**Citizens Insurance Company of America**

*(A Stock Company)*

808 North Highlander Way

Howell, MI 48843-1070

**Massachusetts Bay Insurance Company**

*(A Stock Company)*

440 Lincoln Street

Worcester, MA 01653-0002

**Citizens Insurance Company of Illinois**

*(A Stock Company)*

333 West Pierce Road, Suite 300

Itasca, IL 60143-3114

**The Hanover New Jersey Insurance Company**

*(A Stock Company)*

440 Lincoln Street

Worcester, MA 01653-0002

**Citizens Insurance Company of the Midwest**

*(A Stock Company)*

9229 Delegates Row, Suite 100

Indianapolis, IN 46240-3824

**Verlan Fire Insurance Company**

*(A Stock Company)*

440 Lincoln Street

Worcester, MA 01653-0002

**Citizens Insurance Company of Ohio**

*(A Stock Company)*

1300 East 9th Street, Suite 1010

Cleveland, OH 44114-1506

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CALCULATION OF PREMIUM**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**1. The insurance does not apply:**

**A. Under any Liability Coverage, to "bodily injury" or "property damage":**

- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.**

**C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:**

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

**2. As used in this endorsement:**

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

- (c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES – CIVIL UNION**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
FARM COVERAGE PART  
FARM UMBRELLA LIABILITY POLICY  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCT WITHDRAWAL COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**A. The term "spouse" is replaced by the following:**

Spouse or party to a civil union recognized under Illinois law.

**B. Under the Commercial Auto Coverage Part, the term "family member" is replaced by the following:**

"Family member" means a person related to the:

1. Individual Named Insured by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of such Named Insured's household, including a ward or foster child; or
2. Individual named in the Schedule by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of the individual's household, including a ward or foster child, if the Drive Other Car Coverage – Broadened Coverage For Named Individual Endorsement is attached.

**C. With respect to coverage for the ownership, maintenance, or use of "covered autos" provided under the Commercial Liability Umbrella Coverage Part, the term "family member" is replaced by the following:**

"Family member" means a person related to you by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of your household, including a ward or foster child.



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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES – DEFENSE COSTS**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART – LEGAL LIABILITY COVERAGE FORM  
 COMMERCIAL PROPERTY COVERAGE PART – MORTGAGEHOLDERS ERRORS AND OMISSIONS COVERAGE FORM  
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
 FARM COVERAGE PART  
 FARM UMBRELLA LIABILITY POLICY  
 LIQUOR LIABILITY COVERAGE PART  
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCT WITHDRAWAL COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
 UNDERGROUND STORAGE TANK COVERAGE PART

**A.** The provisions of Paragraph **B.** are added to all Insuring Agreements that set forth a duty to defend under:

1. Section **I** of the Commercial General Liability, Commercial Liability Umbrella, Employment-related Practices Liability, Farm, Liquor Liability, Owners And Contractors Protective Liability, Pollution Liability, Products/Completed Operations Liability, Product Withdrawal, Medical Professional Liability, Railroad Protective Liability, Underground Storage Tank Coverage Parts, Auto Dealers Coverage Form and the Farm Umbrella Liability Policy;
2. Section **II** under the Auto Dealers, Business Auto and Motor Carrier Coverage Forms;
3. Section **III** under the Auto Dealers and Motor Carrier Coverage Forms;
4. Section **A.** Coverage under the Legal Liability Coverage Form; and

**5.** Coverage **C** – Mortgageholder's Liability under the Mortgageholders Errors And Omissions Coverage Form.

Paragraph **B.** also applies to any other provision in the policy that sets forth a duty to defend.

**B.** If we initially defend an insured ("insured") or pay for an insured's ("insured's") defense but later determine that the claim(s) is (are) not covered under this insurance, we will have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement for the defense costs under this provision will only apply to defense costs we have incurred after we notify you in writing that there may not be coverage, and that we are reserving our rights to terminate the defense and seek reimbursement for defense costs.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
FARM COVERAGE PART

- A.** The **Cancellation** Common Policy Condition is replaced by the following:

### **CANCELLATION**

1. The first Named Insured shown in the Declarations may cancel this policy by mailing to us advance written notice of cancellation.
2. If this policy has been in effect for 60 days or less, except as provided in Paragraphs **8.** and **9.** below, we may cancel this policy by mailing written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. If this policy has been in effect for more than 60 days, except as provided in Paragraphs **8.** and **9.** below, we may cancel this policy only for one or more of the following reasons:
  - a. Nonpayment of premium;
  - b. The policy was obtained through a material misrepresentation;
  - c. You have violated any of the terms and conditions of the policy;
  - d. The risk originally accepted has measurably increased;
  - e. Certification to the Director of Insurance of the loss of reinsurance by the insurer which provided coverage to us for all or a substantial part of the underlying risk insured; or
  - f. A determination by the Director that the continuation of the policy could place us in violation of the insurance laws of this State.

If we cancel this policy based on one or more of the above reasons except for nonpayment of premium, we will mail written notice at least 60 days before the effective date of cancellation. When cancellation is for nonpayment of premium, we will mail written notice at least 10 days before the effective date of cancellation.

4. We will mail our notice to you, any mortgagee or lienholder known to us and to the agent or broker.
5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
6. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
7. Our notice of cancellation will state the reason for cancellation.
8. **Real Property Other Than Residential Properties Occupied By 4 Families Or Less**

The following applies only if this policy covers real property other than residential property occupied by 4 families or less:

If any one or more of the following conditions exists at any building that is Covered Property in this policy, we may cancel this policy by mailing to you written notice of cancellation, by both certified and regular mail, if:

- a. After a fire loss, permanent repairs to the building have not started within 60 days of satisfactory adjustment of loss, unless the delay is due to a labor dispute or weather conditions.

b. The building has been unoccupied 60 or more consecutive days. This does not apply to:

- (1) Seasonal unoccupancy; or
- (2) Buildings under repair, construction or reconstruction, if properly secured against unauthorized entry.

c. The building has:

- (1) An outstanding order to vacate;
- (2) An outstanding demolition order; or
- (3) Been declared unsafe in accordance with the law.

d. Heat, water, sewer service or public lighting have not been connected to the building for 30 consecutive days or more.

The policy will terminate 10 days following receipt of the written notice by the named insured(s).

#### **9. Residential Properties Occupied By 4 Families Or Less**

The following applies if this policy covers residential properties occupied by 4 families or less:

If this policy has been in effect for 60 days, or if this is a renewal policy, we may only cancel this policy for one or more of the following reasons:

- a. Nonpayment of premium;
- b. The policy was obtained by misrepresentation or fraud; or
- c. Any act that measurably increases the risk originally accepted.

If we cancel this policy based on one or more of the above reasons except for nonpayment of premium, we will mail written notice at least 30 days before the effective date of cancellation. When cancellation is for nonpayment of premium, we will mail written notice at least 10 days before the effective date of cancellation.

10. For insurance provided under the Commercial Property Coverage Part and the Capital Assets Program (Output Policy) Coverage Part, the following applies:

#### **GRAIN IN PUBLIC GRAIN WAREHOUSES**

(Not applicable to grain owned by the Commodity Credit Corporation)

The following applies only with respect to grain in public grain warehouses:

The first Named Insured or we may cancel this policy at any time by mailing to:

- a. The other; and

b. The Director of the Illinois Department of Agriculture (at its Springfield Office);  
60 days' written notice of cancellation.

B. The following is added:

#### **NONRENEWAL**

1. If we decide not to renew or continue this policy, we will mail you, your agent or broker and any mortgagee or lienholder known to us written notice, stating the reason for nonrenewal, at least 60 days before the end of the policy period. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.

2. The following provision applies only if this policy covers residential properties occupied by 4 families or less:

a. If this policy has been issued to you and in effect with us for 5 or more years, we may not fail to renew this policy unless:

- (1) The policy was obtained by misrepresentation or fraud;
- (2) The risk originally accepted has measurably increased; or
- (3) You received 60 days' notice of our intent not to renew as provided in 1. above.

b. If this policy has been issued to you and in effect with us for less than 5 years, we may not fail to renew this policy unless you received 30 days' notice as provided in 1. above.

C. The following is added:

#### **MAILING OF NOTICES**

We will mail cancellation and nonrenewal notices to the last addresses known to us. Proof of mailing will be sufficient proof of notice.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES**

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
    - a.** Any of the following, whether belonging to any insured or to others:
      - (1)** Computer hardware, including microprocessors;
      - (2)** Computer application software;
      - (3)** Computer operating systems and related software;
      - (4)** Computer networks;
      - (5)** Microprocessors (computer chips) not part of any computer system; or
      - (6)** Any other computerized or electronic equipment or components; or
    - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
  - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
  - 2.** Under the Commercial Property Coverage Part:
    - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
    - b.** In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
STANDARD PROPERTY POLICY

### **A. Cap On Certified Terrorism Losses**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

### **B. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EMERGENCY EVENT MANAGEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM – ACTUAL LOSS SUSTAINED  
 CAUSES OF LOSS – SPECIAL FORM

Other words and phrases that appear in quotation marks have special meaning. Refer to **H. Definitions**.

The Building And Personal Property Coverage Form, Business Income (and Extra Expense) Coverage Form, Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained, and the Causes Of Loss – Special Form are amended by the addition of the Scheduled Coverages listed below. Unless otherwise noted, each Limit of Insurance shown in the Schedule is the most we will pay for the total applicable covered loss or damage resulting from a “covered emergency” regardless of the number of “covered locations” involved. The provisions of the Building and Personal Property Coverage Form, Business Income (and Extra Expense) Coverage Form, Business Income (and Extra Expense) Coverage Form Actual Loss Sustained, and the Causes of Loss – Special Form apply to the Scheduled Coverages unless specifically amended by this endorsement. If any loss or damage covered under this endorsement is also covered under any other provisions of this policy, or if more than one coverage under this endorsement applies to a specific type of loss or damage sustained, you may choose only one of the applicable coverages to apply to that loss. The most we will pay in such case is the Limit of Insurance applicable to the coverage you chose.

### Schedule of Coverages

Coverage	Limit of Insurance
<b>A.</b> Emergency Event Communication Expense	10,000
<b>B.</b> Emergency Event Business Income and Extra Expense	10,000
<b>C.</b> Post Emergency Event Expense - Per Person Limit	10,000
- Aggregate Limit	10,000

Coverage	Waiting Period
Emergency Event Communication Expense	None
Emergency Event Business Income	Follows the waiting period in the <b>BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM – ACTUAL LOSS SUSTAINED</b>
Emergency Event Extra Expense	None
Post Emergency Event Expense	None

#### **A. “Emergency Event Communication Expense”**

For the purpose of coverage under this endorsement only, the following is added to **A. Coverage**, Paragraph 4. **Additional Coverages** of the Building and Personal Property Coverage Form CP 00 10:

#### **“Emergency Event Communication Expense”**

We will pay necessary “emergency event communication expense” incurred by you resulting from a “covered emergency” at a “covered

location” for the sixty (60) consecutive days after a “covered emergency”.

This Additional Coverage does not apply to:

- (1) Any costs related to communications, advice or strategy development, that address continuing publicity or image concerns for periods occurring beyond the sixty (60) consecutive day period after a “covered emergency”, or
- (2) Communication-related expense dealing with mitigating negative publicity or restoring your



enterprise's image at any location other than the "covered location" at which the "covered emergency" occurred.

**B. Emergency Event Business Income and Extra Expense – Optional Coverage**

For the purpose of coverage under this endorsement only, when the Business Income (and Extra Expense) Coverage Form CP 00 30, or the Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581 is made a part of this policy, the following replaces all provisions of the Business Income (and Extra Expense) Coverage Form CP 00 30 or the Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581.

**1. "Emergency Event Business Income" and Extended "Emergency Event Business Income" Coverage**

**a. "Emergency Event Business Income"**

Subject to the Waiting Period shown in the Schedule of this endorsement, we will pay the actual loss of "emergency event business income" you sustain due to the necessary "suspension" of your "operations" during the "emergency event period of restoration". The "suspension" must be caused by or result from a "covered emergency" at your "covered location".

**b. Extended "Emergency Event Business Income"**

If the necessary "suspension" of your "operations" caused by or resulting from a "covered emergency" produces an "emergency event business income" loss payable under this endorsement, we will also pay the actual loss of "emergency event business income" you incur during the period that:

- (1) Begins on the date "operations" are resumed, or the date the "covered location" can be re-occupied by a tenant; and
- (2) Ends on the earlier of:
  - (a) The date you could reasonably restore your "operations" to a level which would generate the business income that would have existed had no "covered emergency" occurred; or
  - (b) The date you could reasonably have the "covered location" re-occupied by a tenant to a level that would generate the rental income which would have existed

if the "covered emergency" had not occurred; or

- (c) Thirty (30) consecutive days after the date determined in b. (1) above.

**c. Additional Conditions and Limitations – "Emergency Event Business Income" and Extended "Emergency Event Business Income"**

- (1) When alternative locations, whether or not owned by you, could have been used to mitigate any "Emergency Event Business Income" loss or Extended "Emergency Event Business Income" loss but were not, we will not pay more than what the calculable loss would have been had these other locations been used to mitigate the loss.
- (2) In the event that your coverage for loss of "Emergency Event Business Income" ends because it extends beyond the sixty (60) consecutive days provided after the "covered emergency", your coverage for Extended "Emergency Event Business Income" loss will commence only when and if you actually resume "operations" (or tenancy is re-established). When "operations" do not resume upon expiration of the sixty (60) consecutive day period, an interruption in your coverage for Business Income will occur between:
  - (a) The end of your "Emergency Event Business Income" coverage; and
  - (b) The start of your Extended "Emergency Event Business Income" coverage.
- (3) "Emergency Event Business Income" and Extended "Emergency Event Business Income" do not apply to loss of Business Income or loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the "covered emergency" in the area where the "covered locations" are located.

**d. Loss Determination - Business Income and Extended Business Income**

The amount of "emergency event business income" loss will be determined based on:

(1) The Net Income of the business at the "covered location" before the "covered emergency" occurred;

(2) The likely Net Income of the business at the "covered location" if no "covered emergency" occurred, but not including:

(a) Net Income earned due to increased sales or similar activity at other "covered locations" caused by the disruption of "operations" at the "covered location" where the "covered emergency" occurred; or

(b) Net Income that would have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the "covered emergency" on customers or other businesses; or

(c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the "covered emergency"; and

(3) Other relevant sources of information, including but not limited to:

(a) Your financial records and account procedures;

(b) Bills, invoices and other vouchers; and

(c) Deeds, liens or contracts.

## 2. "Emergency Event Extra Expense"

For the purpose of coverage under this endorsement only, when the Business Income (and Extra Expense) Coverage Form CP 00 30 or the Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581 is a part of this policy, the following applies:

a. We will pay reasonable and necessary "emergency event extra expense" caused by or resulting from a "covered emergency" at the "covered location" during the "emergency event period of restoration" to:

(1) Avoid or minimize the "suspension" of your business and to continue "operations" at the "covered location" or at temporary or replacement location(s). This includes but is not limited to temporary additional security, relocation expenses and

additional costs to equip and operate the temporary or replacement location; or

(2) Minimize the "suspension" of business if you cannot continue your "operations".

b. This coverage ends the earlier of:

(1) The date your "operations" are restored to a similar condition that would have existed had the "covered emergency" not occurred; or

(2) Sixty (60) consecutive days after the "covered emergency" event occurs.

c. "Emergency Event Extra Expense" does not include:

(1) ransom, extortion or other type of funds paid directly or indirectly to actual or alleged perpetrators causing, or threatening to cause, a "covered emergency"; or

(2) any reward funds.

3. **Resumption of Operations** – We will reduce the amount of:

a. "Emergency event business income" to the extent you can resume your "operations", in whole or in part, at the affected "covered location" or elsewhere; and

b. "Emergency event extra expense" loss to the extent you can return "operations" to normal and discontinue such "emergency event extra expense".

If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

## C. "Post Emergency Event Expense"

1. We will pay an "invitee's" "post emergency event expense" for sixty (60) consecutive days after the "covered emergency", subject to the Post Emergency Event – Per Person Limit of Insurance shown in the Schedule above.

2. Coverage is extended only to those "invitees" present at the affected "covered location" when the "covered emergency" occurred and whose treatment or expense arises directly from the trauma suffered from the "covered emergency".

3. The aggregate limit shown in the Schedule above is the most we will pay for the sum of all "post emergency event expense" in any policy period.



**D. Exclusions****1. Deleted Exclusions - Emergency Event Management Coverage Endorsement**

For the purpose of coverage under this endorsement only, the following exclusions under the Causes of Loss – Special Form CP 10 30 are deleted:

- a. **B.1.h. “Fungus”, Wet Rot, Dry Rot and Bacteria;**
- b. **B.2.h. Dishonest or Criminal Acts;**
- c. **B.3.b. Acts or Decisions; and**
- d. **B.3.c. (1) – (4) Faulty, Inadequate or Defective actions, activities or materials.**

**2. Additional Exclusions - Emergency Event Management Coverage Endorsement**

- a. For the purpose of coverage under this endorsement only, the following exclusions are added to **B. Exclusions**, Paragraph 1., Causes of Loss – Special Form CP 10 30:

We will not pay for loss or damage caused directly or indirectly by any of the following, regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- (1) Windstorm or hail;
- (2) Dishonest or criminal act by you, any of your partners, directors, officers or trustees whether:
  - (a) Acting alone or in collusion with each other or with any other party; or
  - (b) Whether or not occurring in the course and scope of employment, during the hours of employment or during your normal hours of operation.

- b. For the purpose of coverage under this endorsement only, the following exclusions are added to **B. Exclusions** of Causes of Loss – Special Form CP 10 30:

We will not pay for:

- (1) Any legal fees or costs, including but not limited to defense costs related to a claim or suit by a third party for bodily injury or property damage;
- (2) The cost to decontaminate, clean, repair, remediate, maintain or replace Covered Property;
- (3) Costs or expenses incurred by any person(s) who directly or indirectly instigated, threatened, funded,

perpetrated, participated, supported or was otherwise involved in the activities leading to the “covered emergency”; or

- (4) Any cost or expense reimbursable by a state or federal agency, or under workers compensation or similar laws.

- E. For the purpose of coverage under this endorsement only, **D. Deductible**, of the Building and Personal Property Coverage Form CP 00 10 does not apply.

**F. Loss Conditions**

- 1. For the purpose of coverage under this endorsement only, **E. Loss Conditions**, Paragraph 3. **Duties in The Event Of Loss Or Damage** of the Building and Personal Property Coverage Form CP 00 10 and **C. Loss Conditions**, Paragraph 2. **Duties in the Event of Loss** of the Business Income (and Extra Expense) Coverage Form CP 00 30 or Business Income (and Extra Expense) – Actual Loss Sustained 411-0581 are replaced by the following:

**Duties In The Event Of Loss**

- a. In the event of a “covered emergency” you must:

- (1) Notify law enforcement if a law may have been broken.
- (2) Give us notice of any “covered emergency” or event that is likely to lead to a “covered emergency” within forty-eight (48) hours of the time you, or any of your partners, directors, officers, trustees or employees with management or supervisory authority, first become aware of it.

Such notice must include, but is not limited to:

- (a) Specifics as to when, where and how the “covered emergency” occurred or is occurring;
- (b) The name, address and any other pertinent information pertaining to any injured persons including the cause, nature, location and extent of their injuries;
- (c) The name, address and any other pertinent information pertaining to:
  - (i) witnesses to the event, its origins or injuries to any person;
  - (ii) emergency responders; and
  - (iii) potential or known perpetrators;

- (d) Response activities undertaken by you or others to address the consequences of the "covered emergency"; and
  - (e) The nature and location of any physical damage to the "covered location" arising out of the "covered emergency" and the current repair status of such damage.
- (3) Take all reasonable steps to protect your "invitees" and the Covered Property at the "covered location" from further injury or damage, and keep a record of your expenses necessary to do so for consideration in the settlement of the claim. These actions do not guarantee such expenses will be covered nor will they increase the Limit of Insurance. In addition, we will not pay for any subsequent injury, loss or damage resulting from other than a "covered emergency". Also, if feasible, preserve and set damaged property aside and in the best possible order for examination.
- (4) As often as may be reasonably required, permit us to inspect the property proving the injury, loss or damage, and examine your books and records.
- Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (5) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (6) Cooperate with us in the investigation or settlement of the claim.
- (7) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records.
- In the event of an examination, an insured's answers must be signed.

2. For the purpose of coverage under this endorsement only, **E. Loss Conditions**, Paragraph 4. **Loss Payment**, of the Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

#### 4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this endorsement and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

#### G. Additional Conditions

For the purpose of coverage under this endorsement only:

- 1. **F. Additional Conditions**, Paragraph 1. **Coinsurance** of the Building and Personal Property Coverage Form CP 00 10 does not apply.
- 2. **D. Additional Condition, COINSURANCE** of the Business Income (and Extra Expense) Coverage Form CP 00 30 does not apply.
- 3. The following Additional Condition is added:

#### Other Insurance

If there is other insurance covering the same loss, we will pay only the amount of the covered loss in excess of the amount due from the other insurance, whether collectible or not. If the other insurance covers the same loss but includes a deductible, we will pay the deductible. Other insurance includes but is not limited to the insurance coverage or non-insurance services provided by an employer's Employee Assistance Plan or similar mental health service. Regardless of other insurance, we will not pay more than the applicable Limit of Insurance shown in the Schedule of this endorsement.

#### H. Definitions

For the purpose of coverage under this endorsement only, the following Definitions are added.

- 1. "Contaminated" or "contamination" means unfit for use by the introduction of unwholesome or undesirable elements.
- 2. "Covered Emergency" means the following:
  - a. **Violent Acts**
    - (1) A violent act at your "covered location", committed with malicious intent by one or more individuals against a person(s) or entity(s), which results in physical injury or death to

such targeted person(s) or bystanders.

This does not include violent acts committed by you, or any of your partners, directors, officers or trustees.

- (2) An attempt or threat of a violent act to be committed at your "covered location", made with malicious intent by one or more individuals against a person(s) or entity(s), which is likely to result in physical injury or death to such targeted person(s) or bystander(s).

(a) This does not include an attempt or threat of a violent act made by you, or any of your partners, directors, officers or trustees.

(b) For coverage to apply, such attempts or threats must be credible, plausible and reported to law enforcement.

- (3) A violent act at your "covered location", committed with malicious intent by one or more individuals against any person(s) or entity(s), which results in direct physical loss or damage to your premises or the property of others at the "covered location".

This does not include a violent act committed by you, or any of your partners, directors, officers or trustees.

- (4) An attempt or threat of a violent act to be committed on your "covered location", made with malicious intent by one or more individuals against any person(s) or entity(s), which is likely to result in direct physical loss or damage to your premises or the property of others at the "covered location".

(a) This does not include an attempt or threat of a violent act made by you, or any of your partners, directors, officers or trustees.

(b) For coverage to apply, such attempts or threats must be credible, plausible and reported to law enforcement.

#### **b. Premises Contamination**

- (1) Necessary closure of all or part of your "covered location" due to any sudden and accidental

"contamination" or impairment of the "covered location" which results in clear, visible, identifiable, internal or external symptoms of bodily injury, illness, or death of any person(s).

- (2) This includes a "covered location" "contaminated" by "covered illness", but does not include "contamination" of the "covered location", in whole or part, by other "pollutants", "fungi" or bacteria except as provided under "covered illness".

- (3) Confirmation of both the existence of the "covered illness", and "covered location" that the "covered illness" has "contaminated" must be confirmed by a qualified expert or experts and reliable laboratory testing.

#### **c. Contaminated Food or Beverage**

- (1) Necessary closure of all or part of your "covered location" by order of the governing Board of Health because of discovery or suspicion that "contaminated" food or beverage has been served to patrons at your "covered location"; or

- (2) Necessary announcement by you or any governmental body warning the public of a health hazard at your "covered location" because "contaminated" food or beverage has been served to your patrons.

#### **d. Specified Felonies**

The following felonies, whether committed, attempted, or threatened on your "covered premises":

- (1) **Child abduction or kidnapping.** The wrongful and illegal seizure of a child under age sixteen (16) at your "covered location" by someone other than the child's biological, adoptive or foster parents or guardians.

- (2) Stalking and abduction of one or more of your employees or customers by other than a relative;

- (3) Sexual assault; or

- (4) Felonious use of a firearm, other weapon or device designed to cause significant harm or damage;

#### **e. Other Emergency Incidents**

Any one of the following events occurring at your "covered location" and not arising out of a "covered emergency":

- (1) Explosion;

- (2) Fire;
- (3) Construction accident;
- (4) Equipment failure; or
- (5) Workplace accident;

which results in injury or damage to person(s) or property, and adverse regional or national news media coverage of your business or "operations".

3. "Covered Location" means:

- a. That part of a premises you occupy which is listed as a covered location on the Declarations, including the area within 1,000 feet of that premises.
- b. If you have more than one "covered location" under section a), the term "covered location" means only the location at which the "covered emergency" occurred.
- c. If you occupy only part of the site at a "covered location", this phrase is further defined as:
  - (1) The portion of the building which you rent, lease or occupy; and
  - (2) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

4. "Covered Illness" means only the following:

- a. bacterial microorganisms transmitted through human contact with food;
- b. hepatitis virus;
- c. legionnaire's disease; and
- d. noroviruses;

as defined by the United States Center for Disease Control.

"Covered Illness" does not include any other type of illness, bacteria, virus or disease.

5. "Emergency event business income" means:

- a. Net income (net profit or loss before income taxes) – including "rental value" - that would have been earned or incurred before the "covered emergency" at the "covered location"; and
- b. Continuing normal operating expenses incurred, including payroll, at the "covered location".

6. "Emergency event communication expense" means:

- a. Reasonable extra expense you incur, within the sixty (60) consecutive day period after the "covered emergency", due

to the use of your staff for necessary communication to your employees, shareholders, customers, government authorities, news media and other members of the public, when such expense is directly related to the "covered emergency"; and

- b. Reasonable fees and costs you incur, within the sixty (60) consecutive day period after the "covered emergency", due to the use of professional crisis management organizations necessary to assist or advise you on communications strategies to:

- (1) Mitigate negative publicity; or
- (2) Restore the image of your enterprise to pre-event levels following a "covered emergency".

7. "Emergency Event Extra Expense" means:

- a. All necessary expenses related to the "covered emergency" that exceed the normal operating expenses that would have been incurred by "operations" during the "emergency event period of restoration" if no "covered emergency" had occurred. We will deduct from the total of such expenses:

- (1) The salvage value of any property bought for temporary use during the "emergency event period of restoration", once "operations" are resumed; and
- (2) Any Extra Expense that is paid for by other insurance, except for insurance that is written, subject to the same plan, terms, conditions and provisions as this insurance;

- b. Necessary expenses that reduce the "emergency event business income" loss that otherwise would have not been incurred.

8. "Emergency event period of restoration" means the period of time that:

- a. Begins:

- (1) For **Business Income** - After the Waiting Period shown in the schedule of this endorsement following the date of the "covered emergency"; and
- (2) For **Extra Expense** – On the date of the "covered emergency"; and

- b. Ends:

**Business Income and Extra Expense –**

On the shorter of:

- (1) The date when, using reasonable speed, the "operations" at your "covered location" should be resumed or the "covered location" can be re-occupied by a tenant; or
  - (2) Sixty (60) consecutive days after the "covered emergency" occurred.
- 9. "Fungi" means any type or form of fungus, including but not limited to fungus, mildew, mold or resulting spores and byproducts, including mycotoxins, or allergens. However, "fungi" does not include "fungi" on food for human consumption.
- 10. "Invitee" means your employees, customers and others with legitimate business on your Covered Property.
- 11. "Operations" means:
  - a. Your business activities occurring at the "covered location"; and
  - b. Rental of your "covered location" for "rental value".
- 12. "Post emergency event expenses" means any of the following reasonable and necessary expenses incurred by an "invitee" at the affected "covered location" when the "covered emergency" occurred:
  - a. Medical treatment expenses;
  - b. Psychological counseling or other mental health treatment expenses;
  - c. Travel costs to and from a local provider of such medical or mental health treatment services; or
  - d. Funeral and burial expenses for those on site "invitees" who died as a result of the "covered emergency".
- 13. "Rental value" means Business Income that consists of:
  - a. Net income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the "covered location" as furnished and equipped by you, including fair rental value of any portion of the scheduled premises which is occupied by you; and
  - b. Continuing normal operating expenses incurred in connection with that scheduled location, including:
    - (1) Payroll; and
    - (2) The amount of charges which are legal obligation of the tenant(s) but would otherwise be your obligations.
- 14. "Suspension" means
  - a. The slowdown or cessation of your business activities; or
  - b. The part or all of the "covered location" that is rendered un-rentable due to the "covered emergency".

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## DATA BREACH COVERAGE FORM

Various provisions in this Coverage Form restrict coverage. Read the entire Coverage Form carefully to determine rights, duties and what is and is not covered.

Throughout this coverage form the words "we", "us" and "our" refer to the Company providing this insurance. The words "you" and "your" refer to the Named Insured shown in the Declarations. Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION F – DEFINITIONS**.

### SCHEDULE

<b>Data Breach Coverage Aggregate Limit of Insurance</b>	<b>\$ 10,000</b>
<b>Data Breach Expense Coverages Aggregate Sublimit of Insurance</b>	<b>\$ 10,000</b>
<b>Additional Expense Coverages Aggregate Sublimit of Insurance</b>	<b>\$ 10,000</b>
<b>Data Breach Coverage Deductible</b>	<b>\$ 1,000</b>
<b>Cyber Business Interruption Waiting Period Deductible</b>	<b>24 Hours</b>
<b>Premium:</b>	<b>\$ 55</b>

### SECTION A – COVERAGES

We will provide Data Breach Services, Data Breach Expense Coverages and Additional Expense Coverages as described below if you have a "data breach" that:

- a. Is discovered during the "policy period" of this Data Breach Coverage Form; and
- b. Is reported to us within 30 days of your discovery of the "data breach".

#### 1. Data Breach Services, Data Breach Expense Coverages, Additional Expense Coverages

##### a. Data Breach Services

##### (1) Consulting Services

If you contact our Designated Service Provider, they will provide Consulting Services to assist you with:

- (a) Notification requirements pursuant to "breach notice laws";
- (b) Drafting your notification letters; and
- (c) Media interface and press release drafting.

##### (2) Help Line

Provide a toll-free telephone line for "potentially-identified persons" with questions about the "data breach".

##### (3) Fraud Alert

A "potentially-identified person" who contacts our Designated Service Provider can place a Fraud Alert on his or her credit file(s) with the main

credit bureaus warning potential credit grantors to check with the "potentially-identified person" before extending credit in his or her name or on his or her behalf.

#### (4) Identity Restoration Case Management

An "identified person" who contacts our Designated Service Provider will be assisted by an identity restoration professional to help to correct his or her credit and other records and to restore control over his or her personal identity.

These Data Breach Services will be provided by our Designated Service Provider, as described in Paragraphs **15. and 16. of Section E. Conditions**, for a period of one year from the date the Data Breach Services are initiated.

Data Breach Services are only available if the jurisdiction or country where the "potentially-identified person" resides maintains "breach notice law" and, in the case of Fraud Alert, an operative credit monitoring service.

#### b. Data Breach Expense Coverages

We will pay your reasonable and necessary expenses incurred for the following Covered Expenses up to the limits of insurance described in **Section C – Limits of Insurance**:

#### (1) Notification to Potentially-Identified Persons – expenses to provide

notification of the "data breach" to "potentially-identified persons":

(a) As required by applicable "breach notice law"; or

(b) If reasonably necessary to maintain your business.

Covered expenses include the printing, postage and handling of notification letters or other means of disclosing the breach to "potentially-identified persons".

(2) **Forensic Analysis** – expenses to assess:

(a) The severity of the "data breach";

(b) The nature and extent of the "data breach";

Forensic Analysis expenses do not include the cost of restoration.

(3) **Proactive Monitoring Services Expense Coverage** – Expenses for "proactive monitoring services" provided to "potentially-identified persons" in jurisdictions or countries with operative credit monitoring services as provided through our Designated Service Provider.

Under this coverage we will only pay for expenses that you incur through our Designated Service Provider.

Services provided for Covered Expenses provided in **b.(1), b.(2) and b.(3)** above must be approved by us as described in **SECTION E – CONDITIONS, Paragraph 15. Service Providers.**

(4) **Breach Restoration Expenses**

We will pay "Breach Restoration Expenses" directly resulting from a "data breach" which is first discovered during the "policy period" and which results in the damage, deletion or destruction of "data" owned by you or for which you are legally liable.

(5) **Cyber Business Interruption and Extra Expense**

We will pay actual loss of "business income" and additional "extra expense" incurred by you during the "period of restoration" directly resulting from a "data breach" which is first discovered during the "policy period" and which results in an actual impairment or denial of service of

"business operations" during the "policy period".

### c. **Additional Expense Coverages**

We will pay your reasonable and necessary expenses incurred for the following Additional Expense Coverages. These expenses are subject to the limits of insurance described in **Section C – Limits of Insurance.**

(1) **Legal Services** – expenses incurred within the first six months following the discovery and reporting of a "data breach" as provided in this Section for approved outside professional legal counsel review and recommendations as to how you should respond to it, including final legal review of the proposed breach notification letter(s). However, we will not pay for expenses for legal counsel to review any third party liability litigation or notification of potential litigation.

(2) **Public Relations** – expenses incurred within the first six months following the discovery and reporting of a "data breach" as provided in this Section for approved outside public relations firm or crisis management firm recommendations for restoring the confidence of your customers and investors in the security of your company and its systems.

(3) **Third Party "Data Breach"** – expenses for notification to "potentially-identified persons" with whom you have a direct relationship when a "data breach" is sustained by a third party to whom you have sent "private personal data" to be under that third party's care, custody and control. This includes a "data breach" that occurs while transmitting or transporting the data to that third party. Covered expenses for this Additional Covered Expense are limited to the printing, postage and handling of notification letters to "potentially-identified persons".

Service providers for Additional Expense Coverage provided in paragraphs **c.(1), c.(2) and c.(3)** must be approved by us as described in **SECTION E – CONDITIONS, Paragraph 15. Service Providers.**

(4) **Data Breach Ransom Coverage** – monies extorted from and paid by you because or a threat or connected

series of threats to commit an intentional attack on your computer systems that if so committed, would result in a "data breach". This Data Breach Ransom Coverage is subject to the following conditions:

- (a) You must receive approval from us prior to the payment of any monies;
- (b) Any monies paid must only be to terminate or end the threat;
- (c) The threat must be one which, if carried out, would have led to a "data breach" that would have been covered under this Coverage Form had the monies not been paid;
- (d) The threat must have been made during the coverage period of this Data Breach Coverage Form;
- (e) The applicable Federal, state and/or local law enforcement authority was notified of the threat prior to any payment you make for which you are seeking reimbursement under this Additional Expense Coverage;
- (f) The threat must not have been committed by any of your employees or former employees, vendors or independent contractors hired by you;
- (g) You must make every reasonable effort not to divulge the existence of this Data Breach Ransom Coverage; and
- (h) You agree to keep confidential any amounts paid under this Data Breach Ransom Coverage except for any disclosure we approve in advance of that disclosure.

**(5) Data Breach Reward Coverage –** monies you pay for information leading to the arrest and conviction of any individual(s) who committed an illegal act(s) related to a "data breach" covered under this Coverage Form.

However, we will not pay for information that was provided by:

- (a) You;
- (b) Your internal or external auditors;
- (c) Any vendor or independent contractor hired by you;

(d) Any individual or firm hired by you to investigate the illegal act described above; or

(e) Any individual(s) with supervisory or management responsibility of any of the individual(s) described above.

**(6) Data Breach Investigations**

We will pay "defense expenses" directly resulting from a "regulatory investigation" regarding a "data breach" first discovered by you during the "policy period".

**(7) Data Breach Theft**

We will pay for loss resulting directly from your transfer, payment, or delivery of funds due to the fraudulent input of "data" directly into your "system" or through a "network" into your "system". Loss must first be discovered by you during the "policy period".

**SECTION B – EXCLUSIONS**

1. The following exclusions apply to Data Breach Services, Data Breach Expense Coverages and Additional Expense Coverages.

This insurance does not apply to:

**a. Costs to Research or Correct Deficiencies**

Any costs to research any deficiency, except as specifically provided under **SECTION A – COVERAGES**, Paragraph **1.b.(2) Forensic Analysis**, or any costs to correct any deficiency.

This includes, but is not limited to, any deficiency in your systems, procedures or physical security that may have contributed to a "data breach".

**b. Criminal Investigation or Proceedings**

Any costs arising out of criminal investigations or proceedings.

**c. Fines, Penalties or Assessments**

Any "fines, penalties, fees or assessments". This includes but is not limited to fees or surcharges from financial institutions.

**d. Defense or Legal Liability**

Any fees, costs, settlements, judgments, or liability of any kind arising in the course of, or as a result of a claim for damages, lawsuit, administrative proceedings, or governmental investigation against or involving you, except as provided under **SECTION A – COVERAGES**, Paragraph **1.c.(6) Data Breach Investigations**.



**e. Other Economic Costs**

Any other costs or expenses not expressly provided for under Data Breach Services, Data Breach Expense Coverages and Additional Expense Coverages provided in Paragraphs 1.a. through 1.c. Costs or expenses that we do not cover include but are not limited to expense to reissue credit or debit cards.

**f. Consequential Loss**

Any costs, or any other loss, caused by or resulting from delay, loss of use, loss of existing or prospective markets or any other consequential loss. This exclusion does not apply to **SECTION A – COVERAGES, Paragraph 1.b.(5) Cyber Business Interruption and Extra Expense.**

**g. Contractually Assumed Liability**

Legal obligations arising by reason of assumption of liability in a contract or agreement.

**h. Victim Expenses or Losses**

Costs or losses incurred by a victim of "data breach" or fraud activity except as provided for under Data Breach Services, Data Breach Expense Coverages and Additional Expenses Coverages provided in Paragraphs 1.a. through 1.c.

**i. Alternative Travel Arrangements or Fees**

Payment of alternative travel arrangements or additional fees.

**j. Psychological Counseling**

Psychological counseling for victims of a "data breach" or fraud activity.

**k. Legal Advice or Services**

Legal advice or other legal services, except as provided by the Legal Services Additional Expense Coverage, Paragraph 1.c.(1).

**l. Information Recapture**

Any costs or losses for the recapture of lost, stolen or destroyed information.

**m. Dishonesty**

Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of law by you, any of your partners, directors or trustees:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

**n. Governmental Action**

Seizure or destruction of property by order of governmental authority. Such loss or damage

is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

**o. Intentional or Willful Complicity**

Your intentional or willful complicity in a "data breach".

**p. Prior Discovery**

Any "data breach" discovered prior to the inception of this Data Breach Coverage Form.

**q. Threats, Extortion or Blackmail**

Any threat, extortion or blackmail including but not limited to, ransom payments and private security assistance except as provided in the Data Breach Ransom Coverage Additional Expense Coverage under Paragraph 1.(c)(4).

**r. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

**s. War and Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

2. The following exclusions apply to Breach Restoration Expenses, Cyber Business Interruption and Extra Expense, Data Breach Investigations, and Data Breach Theft only.

This insurance does not apply to:

**a. Investigations**

Costs, fees or expenses incurred or paid by you in establishing the existence of, or amount of loss, damage or expense.

**b. Non-monetary Relief**

Costs of compliance with any order for, grant of or agreement to provide non-monetary relief, including injunctive relief.

**c. Potential Income**

Potential income including interest and dividends not realized by you; however, this Exclusion shall not apply to loss of "business income" as provided under **SECTION A –**

**COVERAGES, Paragraph 1.b.(5) Cyber Business Interruption and Extra Expense.****d. Return of Payments**

Return of fees, charges, commissions or other compensation paid to you.

**e. System Changes**

Costs or "expenses" incurred to replace, upgrade, update, improve, or maintain a "system".

**f. Uniform Commercial Code**

Loss, damage, costs or "expenses" you agree to incur or incur on behalf of another natural person or entity when you are not obligated to incur such loss, costs or "expenses" under the Uniform Commercial Code or any other law, statute, rule or code anywhere in the world, including the rules or codes of any clearing or similar entity. This Exclusion does not apply to

**SECTION A – COVERAGES, Paragraph 1.b.(5) Cyber Business Interruption and Extra Expense.**

**SECTION C – LIMITS OF INSURANCE**

1. The most we will pay for all Data Breach Expense Coverages and Additional Expense Coverages combined is the Data Breach Coverage Aggregate Limit of Insurance shown in the **SCHEDULE** of this Data Breach Coverage Form. The Data Breach Coverage Aggregate Limit of Insurance is an annual aggregate limit and is the most we will pay for the total of the covered losses and expenses for all "data breach" events discovered by you during the current "policy period" regardless of the number of "data breach" events.
2. The Data Breach Expense Coverages Aggregate Sublimit of Insurance shown in the **SCHEDULE** of this Data Breach Coverage Form is the most we will pay under all Data Breach Expense Coverages combined for the total of all covered losses and expenses arising out of all "data breach" events during the "policy period" regardless of the number of "data breach" events. The Data Breach Expense Coverage Aggregate Sublimit of Insurance is part of, and not in addition to, the Data Breach Coverage Aggregate Limit of Insurance
3. The Additional Expense Coverages Aggregate Sublimit of Insurance shown in the **SCHEDULE** of this Data Breach Coverage Form is the most we will pay under all Additional Expense Coverages combined for the total of all covered losses and expenses for all "data breach" events during the "policy period" regardless of the number of "data breach" events. The Additional Expense Coverages Aggregate Sublimit of Insurance is part of, and not in addition to, the Data Breach Coverage Aggregate Limit of Insurance.

4. Regardless of the number of years this Data Breach Coverage Form remains in force or the number of premiums paid, no limits of insurance cumulate from this "policy period" to subsequent "policy periods".

**5. Discovery Policy Period Limits Apply**

A "data breach" may be first discovered by you in one "policy period", but cause covered loss or expenses in one or more subsequent "policy periods". If so, all covered loss or expenses for the "data breach" will be limited to the Data Breach Coverage Aggregate Limit of Insurance, the Data Breach Expense Coverages Aggregate Sublimit of Insurance and the Additional Expense Coverages Aggregate Sublimit of Insurance described respectively in Paragraphs 1., 2. and 3. above that are applicable to the "policy period" when the "data breach" was first discovered by you.

**6. Time Limits**

- a. You must report a "data breach", to us on or within 30 days of your discovery of the "data breach".
- b. You have up to one year from the date of reporting a "data breach", to initiate the services afforded to you.
- c. A "potentially-identified person" has up to one year from the date he or she receives notification of a "data breach" to initiate the services afforded to him or her.
- d. Once initiated, the services afforded to a "potentially-identified person" will continue for one year.
- e. Data Breach Services under **Section A – Coverages, Paragraph 1.a.** will be provided by our Designated Service Provider for a period one year from the date the Data Breach Services are initiated.

**SECTION D – DEDUCTIBLE**

The Data Breach Expense Coverages and Additional Expense Coverages provided under this Coverage Form are subject to the Data Breach Coverage Deductible shown in the **SCHEDULE** of this Coverage Form. The Data Breach Coverage Deductible applies to covered loss and expense arising out of each "data breach". Our obligation to make payments under Data Breach Expense Coverages and Additional Expense Coverages applies only to that part of covered loss and expense arising out of a single "data breach" event which is in excess of the Data Breach Coverage Deductible.

The Data Breach Coverage Deductible does not apply to **SECTION A –COVERAGES, paragraph 1.b.(6) Cyber Business Interruption and Extra Expense.** Losses payable under Cyber Business Interruption and Extra Expense are subject to the Cyber Business

Interruption Waiting Period Deductible shown on the **SCHEDULE** of this Coverage Form.

## **SECTION E – CONDITIONS**

### **1. Duties in the Event of a Data Breach.**

You must see that the following are done in the event of a “data breach”:

- a. Notify the police if a law may have been broken.
- b. Give us prompt notice of the “data breach”. As stated in **SECTION A – COVERAGES**, paragraph **b.**, you must report the “data breach” to us within 30 days of the date you first discover it.
- c. As soon as possible, give us, and/or our Designated Service Provider, a description of how, when and where the “data breach” occurred, including all of the following information as it becomes known to you:
  - (1) The method of “data breach”;
  - (2) The approximate date and time of the “data breach”;
  - (3) The approximate number of “potentially-identified persons” compromised as a result of the “data breach”;
  - (4) A detailed description of the type and nature of the information that was compromised;
  - (5) Whether or not the information was encrypted, and, if so, the level of encryption;
  - (6) Whether or not law enforcement has been notified;
  - (7) If available, the states in which the “potentially-identified persons” are domiciled;
  - (8) If available, who received the “private personal data” as a result of the “data breach”; and any other access, information or documentation we reasonably require to investigate or adjust your claim.
- d. Take all reasonable steps to protect “private personal data” remaining in your care, custody or control.
- e. Preserve all evidence of the “data breach”.
- f. Permit us to inspect the property and records proving the “data breach”.
- g. If requested, permit us to question you under oath at such times as may be reasonably required about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed.

h. Send us a signed, sworn statement containing the information we request to investigate the claim. You must do this within 30 days after our request. We will supply you with the necessary forms.

- i. Cooperate with us in the investigation or settlement of the claim.

### **2. Concealment, Misrepresentation or Fraud**

This coverage is void in any case of fraud by you as it relates to this Data Breach Coverage Form. It is also void if you intentionally conceal or misrepresent a material fact concerning this Coverage Form or a claim under this Coverage Form.

### **3. Control of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Form at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

### **4. Two or More Coverage Parts, Forms, Endorsements or Policies Issued By Us**

It is our stated intent that the various coverage parts, forms, endorsements or policies issued to you by us or any company affiliated with us do not provide any duplication or overlap of coverage for the same loss, damage, expense or “data breach”. If this coverage form and any other coverage part, form, endorsement or policy issued to you by us or any company affiliated with us apply to the same loss, damage, expense, or “data breach”; the maximum Limit of Insurance under all such coverage parts, forms, endorsements or policies combined shall not exceed the highest applicable Limit of Insurance under any one coverage part, form, endorsement or policy.

If two or more of the coverages provided under this coverage form apply to the same loss, damage, expense or “data breach”; we will not pay more than the actual amount of the loss, damage or expense.

### **5. Legal Action Against Us**

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date of the “data breach” is first discovered by you.

### **6. Liberalization**

If we adopt any revision that would broaden the coverage under this Data Breach Coverage Form

without additional premium within 45 days prior to or during the "policy period", the broadened coverage will immediately apply to this coverage form.

#### **7. No Benefit to Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

#### **8. Other Insurance**

a. If you may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Data Breach Coverage Form, we will pay only our share of the covered loss, damage or expense. Our share is the proportion that the applicable Limit of Insurance under this Coverage Form bears to the Limits of Insurance of all insurance covering on the same basis.

b. If there is other insurance covering the same "data breach", other than that described in a. above, we will pay only for the amount for Data Breach Services, Data Breach Expense Coverages, and Additional Expense Coverages in excess of the amount due from that other insurance. We will not pay more than the applicable Limit of Insurance shown in the **SCHEDULE**.

#### **9. Policy Period, Coverage Territory**

Under this Endorsement:

##### **a. Policy Period**

This policy applies only to "data breaches" that are first discovered by you during the "policy period".

##### **b. Coverage Territory**

Coverage applies anywhere in the world, provided that no trade or economic sanction, embargo, insurance or other laws or regulations prohibit the "insurer" from covering the loss. The "data breach" must involve "private personal data" that was within your care, custody or control.

Data Breach Services are only available in jurisdictions or countries that maintain "breach notice law" and, in the case of Fraud Alert, an operative credit monitoring service.

#### **10. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you

may waive your rights against another party in writing:

- a. Prior to a loss.
- b. After a loss only if, at time of loss, that party is one of the following:
  - (1) Someone insured by this insurance;
  - (2) A business firm:
    - (a) Owned or controlled by you; or
    - (b) That owns or controls you; or
- c. Your tenant.

This will not restrict your insurance.

#### **11. Cancellation**

With regard to the cancellation of this policy, the provisions outlined in the Common Policy Conditions, Businessowners Coverage Part, Technology Professional Advantage, the Technology Professional Advantage Plus, whichever are included in the policy, shall apply and will automatically include the non-renewal or cancellation of this coverage form. You agree that no further notice regarding termination of this Coverage Form will be required.

#### **12. Due Diligence**

You agree to use due diligence to prevent and mitigate loss covered under this Coverage Form. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for providing and maintaining the following:

- a. Physical security for your premises, computer systems and hard copy files;
- b. "Computer" and Internet security;
- c. Periodic backups of computer data;
- d. Protection, including but not limited to, encryption of data, for transactions such as processing credit card, debit card and check payments; and
- e. Disposal of files containing "personal private data", including but not limited to shredding hard copy files and destroying physical media used to store "data".

#### **13. No Legal Advice Provided**

We are not your legal advisor and do not provide legal counsel to you. None of the services we provide under this Coverage Form constitute legal advice to you by us. Our determination of what is or is not covered under this Coverage Form does not represent legal advice or counsel from us about what you should or should not do.

#### **14. Pre-Notification Consultation**

You agree to consult with us prior to the issuance of notification to "potentially-identified persons". We assume no responsibility under this Coverage



Form for any services promised to “potentially-identified persons” without our prior agreement. You must provide the following at our pre-notification consultation with you:

- a. The exact list of “potentially-identified persons” to be notified, including contact information.
- b. Information about the “data breach” that may appropriately be communicated with “potentially-identified persons”.

#### 15. Service Providers

- a. We will only provide Data Breach Services through our Designated Service Provider(s). Any such services that are provided by any other individual or entity will not be covered by this Coverage Form.
- b. We will only pay Data Breach Expense Coverages and Additional Expense Coverages (except for Data Breach Ransom Coverage and Data Breach Reward Coverage) that are provided by service providers approved by us prior to the start of any of these services. If we suggest a service provider(s) but you prefer to use an alternative service provider(s), our coverage is subject to the following limitations:
  - (1) Such alternate service provider(s) must be approved by us; and
  - (2) Our payment for services provided by any alternative service provider(s) will not exceed the amount that we would have paid using the service provider we had suggested.
- c. You will have a direct relationship with any service provider, including our Designated Service Provider, paid for in whole or in part under this Coverage Form. All service providers work for you.

#### 16. Data Breach Services

The following conditions apply with respect to any data breach services provided to you or to any “potentially-identified person” or “identified person” by our designees or any service firm paid for under this Data Breach Coverage Form:

- a. The effectiveness of data breach services depends on your cooperation and assistance.
- b. All data breach services may not be available or applicable to all “potentially identified persons” or “identified persons”. For example, “potentially identified persons” who are minors or foreign nationals may not have credit records that can be provided or monitored.
- c. We do not warrant or guarantee that the data breach services paid for in whole or in part by this Coverage Form will end or eliminate all

problems associated with a covered “data breach”.

- d. We are not liable for any act or omission by any Designated Service Provider who is not our employee nor the employee of a third party provider of the data breach services described in this Coverage Form. We cannot be held responsible for failure to provide or for the delay in providing services when such failure or delay is caused by conditions beyond our control
- e. Data Breach Services are only available in jurisdictions or countries that maintain “breach notice law” and, in the case of Fraud Alert, an operative credit monitoring service.

#### 17. Cooperation

You agree to cooperate with and provide full disclosure of the circumstances surrounding a “data breach” to applicable federal or state regulators, law enforcement personnel, to us, and to our Designated Service Provider(s).

If you fail to cooperate, we will not be obliged under this contract for any services and expenses that cannot be provided due to your failure to cooperate.

#### 18. Appraisal

If we and you disagree on the amount of net income, operating expense or loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of the net income, operating expense and loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

#### SECTION F – DEFINITIONS

##### 1. Account Takeover

“Account takeover” means the takeover by a third party of one or more existing deposit accounts, credit card accounts, debit card accounts, ATM cards, or lines of credit in the name of an “identified person”.

##### 2. Breach Notice Law

“Breach Notice Law” means any federal, state, local or foreign privacy legislation, regulation and

their functional equivalent that requires an entity to provide notice to affected natural persons or data protection authorities regarding any actual or potential unauthorized access to "private personal data".

### 3. Breach Restoration Expenses

"Breach Restoration Expenses" means the reasonable cost of the blank "media" and the reasonable cost of labor for the actual transcription or copying of "data" or "media" in order to reproduce such "data" or replace such "media" from "data" and/or media of comparable kind or quality.

### 4. Business Income

"Business Income" means your:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if there had been no impairment or denial of "business operations" due to a covered "data breach" and
- b. Continuing normal operating expenses incurred, including payroll.

"Business income" does not include interest or investment income.

### 5. Business Operations

"Business Operations" means your usual and regular business activities.

### 6. Computer

"Computer" means a device or group of hardware devices on which software, applications, script, code and "computer" programs containing "data" can be operated and viewed.

### 7. Cyber Attack

"Cyber Attack" means the transmission of fraudulent or unauthorized "data" that is intended to and successfully modifies, alters, damages, destroys, deletes, records, transmits, or consumes information within a "system" without authorization, including "data" that is self-replicating or self-propagating, and which causes the disruption of the normal operation of a "system".

### 8. Data

"Data" means a representation of information, knowledge, facts, concepts or instructions which are being processed or have been processed in a "computer".

### 9. Data Breach

"Data breach" means:

- a. The loss, theft, accidental release or accidental publication of "private personal data" entrusted to you as respects one or more "potentially-identified persons" if such loss, theft, accidental release or accidental

publication has or could reasonably result in the fraudulent use of such information;

- b. Failure to protect "private personal data" including a "Cyber Attack" on your "system" or the actions of a "rogue employee" which directly results in the unauthorized disclosure of "private personal data";
- c. The theft or negligent loss of hardware, "media", "system output", "data" or other documents owned or controlled by you, or on your behalf, on which "private personal data" is stored or recorded;
- d. The failure or violation of the security of your "system" including the impairment or denial of access to your "system", including a "Cyber Attack" or unauthorized acts or omissions by a "rogue employee" which damages or harms your "system" or the "system" of a third party for whom you provide "services" for a fee;
- e. The theft or loss of hardware or "media" controlled by you, or on your behalf, on which "data" is stored;
- f. Disposal or abandonment of "private personal data" without appropriate safeguards such as shredding or destruction, subject to the following provisions:
  - (1) Your failure to use appropriate safeguards must be accidental and not intentional, reckless or deliberate and not in violation of your Due Diligence obligations under Paragraph 2. **Additional Conditions**, Paragraph a.;
  - (2) Such disposal or abandonment must take place during the time period for which this Data Breach Coverage Form is effective; or
- g. The failure to disclose an event described in a. thru f. above which violates any "breach notice law".

All incidents of "data breach" that are discovered at the same time or arise from the same cause or from a series of similar causes would be considered one "data breach". All theft of "private personal data" caused by any person or in which that person is involved, whether the result of a single act or series of related acts, is considered a single incident of "data breach".

### 10. Defense Expenses

"Defense Expenses" means the reasonable and necessary legal fees and expenses including attorney fees and expert fees incurred by us or by you (other than regular or overtime wages, salaries, fees or benefits of you or your employees) in the investigation, defense, settlement and appeal of a claim, including but not

limited to cost of consultants and witnesses, premiums for appeal, injunction, attachment or supersedes bonds regarding such claim.

#### 11. Electronic Data

"Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

#### 12. Expense

"Expense" means "Business Income", "Extra Expense", "Breach Restoration Expenses", and loss payable under the Data Breach Theft coverage incurred by you.

#### 13. Extra Expense

"Extra Expense" means the reasonable and necessary expenses you incur during the "period of restoration" in an attempt to continue "business operations" that have been interrupted due to a "data breach" and that are over and above the expenses such you would have incurred if no loss had occurred. "Extra expense" does not include any costs of updating, upgrading or remediation of your "system" that are not otherwise covered under this Coverage Part.

#### 14. Fines, Penalties or Assessments

"Fines, penalties or assessments" means any fines, assessments, surcharges, attorneys' fees, court costs or other penalties which you shall be required to pay as a result of a "data breach" or pursuant to any contract, law, regulation or order.

#### 15. Identified Person

"Identified person" means a "potentially-identified person" who is or appears to be a victim of "identity theft" or "account takeover" that may reasonably have arisen from a covered "data breach".

#### 16. Identity Theft

"Identity theft" means the fraudulent use of "private personal data". This includes the fraudulent use of such information to establish credit accounts, secure loans, enter into contracts or commit crimes.

"Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

"Identity theft" does not include the use of a valid credit card, credit account or bank account. However, "identity theft" does include the fraudulent alteration of account profile information, such as the address to which statements are sent.

#### 17. Media

"Media" means electronic applications, software, scripts and programs on which "data" is stored so that it can be collected, read, retrieved or processed by a "computer". "Media" does not mean paper, or other tangible property, money, debt, equity, instruments, accounts, bonds, bills, records, abstracts, deeds or manuscripts

#### 18. Network

"Network" means any services provided by or through the facilities of any electronic or "computer" communication system, allowing the input, output, examination, visualization or transfer of "data" or programs from one "computer" to your "computer". "Network" includes any shared networks, Internet access facilities, or other similar facilities for such systems, in which you participate.

#### 19. Period of Restoration

"Period of Restoration" means:

- a. The period of time that begins:
  - (1) For "Extra Expenses", immediately after the actual or potential impairment or denial of "business operations" occurs; and
  - (2) For the loss of "Business Income", after 24 hours or the number of hours shown as the Cyber Business Interruption Waiting Period Deductible in the **SCHEDULE** on this Coverage Forms, whichever is greater, immediately following the time the actual impairment or denial of "business operations" first occurs.
- b. The "Period of Restoration" ends on the earlier of the following:
  - (1) The date "business operations" are restored, with due diligence and dispatch, to the condition that would have existed had there been no impairment or denial; or
  - (2) Sixty (60) days after the date the actual impairment or denial of "business operations" first occurs;

The expiration date of this Policy or Coverage Part will not cut short the "period of restoration".

#### 20. Policy Period

"Policy Period" means the period of time from the inception date shown the Declarations to the earlier of the expiration date shown in the

Declarations or the effective date of termination of the Policy or Data Breach Coverage Form.

## **21. Potentially-Identified Person**

"Potentially-identified person" means any person who is your current, former or prospective customer, employee, client, member, or patient and whose "private personal data" is lost, stolen, accidentally released or accidentally published by a "data breach" covered under this Coverage Form.

"Potentially-identified person" does not include any business or organization. Only an individual person may be a "potentially-identified person".

A "potentially-identified person" may reside anywhere in the world.

## **22. Private Personal Data**

"Private Personal Data" means a natural person's first name or first initial and last name in combination with:

- a. Non-public personally identifiable information, as defined in applicable federal, state, local or foreign legislation or regulations including, social security number, driver's license number or other personal identification number (including an employee identification number or student identification number);
- b. Financial account number (including a bank account number, retirement account number or healthcare spending account number);
- c. Credit, debit or payment card numbers;
- d. Information related to employment by you;
- e. Individually identifiable information considered nonpublic personal information pursuant to Title V of the Gramm-Leach Bliley Act of 1999, as amended; or
- f. Individually identifiable information considered protected health information pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended;

which is intended to be accessible only by natural persons or entities you have specifically authorized to have such access.

"Private personal data" does not mean or include information that is otherwise available to the public, such as names and addresses with no

correlated Social Security numbers or account numbers.

## **23. Proactive Monitoring Services**

"Proactive monitoring services" means the following services if you offer to provide them to "potentially-identified persons" who contact our Designated Service Provider:

- a. A credit report;
- b. credit monitoring; and or
- c. fraud/public records monitoring service or services.

## **24. Regulatory Investigation**

"Regulatory Investigation" means a formal request for information, civil investigative demand or civil proceeding, including requests for information related thereto, brought by or on behalf of a state Attorney General, the Federal Trade Commission, the Federal Communications Commission or any other federal, state, local or foreign governmental agency.

## **25. Rogue Employee**

"Rogue Employee" means a permanent employee of yours, other than an "executive", who has gained unauthorized access or has exceeded authorized access to a "system" or "private personal data" owned or controlled by you or an entity that is authorized by you to hold, process or store "private personal data" for your exclusive benefit.

## **26. Services**

"Services" means "computer" time, data processing, storage functions or other uses of your "system".

## **27. System**

"System" means a "computer", "media" and all input, output, processing storage and communication devices controlled, supervised or accessed by operating software that is proprietary to, or licensed to, the owner of the "computer".

## **28. System Output**

"System Output" means a tangible substance on which "private personal data" is printed from a "System".



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ASSOCIATES AND FAMILY MEMBERS ADDITIONAL COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

### DATA BREACH COVERAGE FORM

The following Additional Coverage is added to **SECTION A – COVERAGES** of the Data Breach Coverage Form:

#### A. ASSOCIATES AND FAMILY MEMBERS ADDITIONAL COVERAGE

As described in Paragraphs 1. and 2. below, we will extend certain **Data Breach Covered Services** to your “associates” and to their “family members” following loss of their “private personal data” under the circumstances described below. This Additional Coverage does not apply to a “data breach” involving information owned or controlled by you.

1. An “associate” or “family member” whose “private personal data” is lost or stolen by circumstances such as the loss of a credit card, debit card, ATM card, checkbook, driver’s license, or passport; or the loss of a wallet, purse, or briefcase containing any of the foregoing, may contact our Designated Service Provider for the Fraud Alert service described in **Section A – Coverages**, paragraph 1.a.(3) of the Data Breach Coverage Form.
2. An “associate” or “family member” who, as a result of loss or theft of “private personal data” described in Paragraph 1. above, becomes a victim of “identity theft” or “account takeover”, may contact our Designated Service Provider for the Identity Restoration Case Management services described in **Section A – Coverages**, paragraph 1.a.(4) of the Data Breach Coverage Form.

We will provide these services for a period of one year following the date we are notified of the initial loss of “private personal data”.

#### B. DEFINITIONS

Under **Section F – Definitions**, Paragraph

**1. Account Takeover** is replaced with the following:

#### 1. Account Takeover

“Account takeover”, as respects “associates” or “family members”, means the takeover by a third party of one or more existing deposit accounts, credit card accounts, debit card accounts, ATM cards, or lines of credit in the name of an “associate” or “family member”.

“Account takeover”, as respects “associates” or “family members”, includes the unauthorized takeover of one or more of the “associate’s” existing deposit accounts, credit card accounts, debit card accounts, ATM cards, or lines of credit by a “family member”.

Under **Section F – Definitions**, the following Definitions are added:

1. “Associate” means an employee of the business insured under this policy.
2. “Family Member” means:
  - a. an “associate’s” spouse, or Registered Domestic Partner, or the legal equivalent thereof; or
  - b. a relative under 23 years of age who is a dependent of the “associate.”

**IDENTITY THEFT RESOLUTION SERVICES  
(POWERED BY IDENTITY THEFT 911)**

Are you or your resident family members at risk for identity theft? Do you need expert assistance with an identity-related concern? IDENTITY THEFT RESOLUTION SERVICES from Identity Theft 911 give you one-on-one assistance in the following situations:

**Access Phone Number: 800-628-0250**

If you or a resident family member suffer the loss or theft of private personal data, contact Identity Theft 911 for proactive guidance that can include Fraud Alert service. If you wish, a fraud specialist can assist and place a free fraud alert on your credit file to reduce the risk of fraudulent accounts opened in your name. This service also includes additional preventative measures and one-on-one assistance, depending on the risk.

If you or a resident family member suffer the loss or theft of private passenger data, contact Identity Theft 911 for Identity Restoration Case Management services. A fraud specialist will guide you through the process of restoring your identity and handle all of the work, including completed documentation and notification assistance. Victims also receive one year of credit monitoring, as well as free fraud monitoring of over 1,000 public databases.

**Learn How to Protect Your Identity**

We recommend that you regularly visit The Hanover Insurance Group and Identity Theft 911 comprehensive resource and knowledge library – [www.hanover-identitytheft911.com](http://www.hanover-identitytheft911.com) – for the latest media alerts, identity theft tips, in-depth newsletters and much more.

Keep this access information handy in case you ever need help with an identity-related problem.

**Access Phone Number: 800-628-0250**

The Hanover Insurance Group makes no guarantee of results and assumes no liability in connection with either the information or assistance provided by Identity Theft 911. Any and all external Websites or sources referred to herein are for informational purposes only.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## GOLD PROPERTY BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS – SPECIAL FORM  
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM – ACTUAL LOSS SUSTAINED

The following is added to **C. Limits Of Insurance** of Building and Personal Property Coverage Form CP 00 10:

The limits applicable to the Coverages included in this endorsement may either be in addition to or included within the applicable Limits of Insurance. For application of the limits, refer to each coverage within this endorsement.

Refer to **SECTION V – DEFINITIONS** of this endorsement for additional words or phrases which appear in quotation marks as they have special meanings.

### I. COVERAGES

#### A. Scheduled Coverages

The coverages in this endorsement amend the coverage provided under the Building and Personal Property Coverage Form, Causes of Loss – Special Form, Business Income (and Extra Expense) Coverage Form and Business Income (and Extra Expense) Coverage - Actual Loss Sustained through new coverages and substitute coverage grants. These coverages are subject to the provisions applicable to this policy, except where amended within this endorsement. If any of the property covered by this endorsement is also covered under any other provisions of the policy of which this endorsement is made a part, or if more than one coverage under this endorsement applies, in the event of loss or damage, you may choose only one of these coverages to apply to that loss. The most we will pay in this case is the limit of insurance applying to the coverage you select. Coverages included in this endorsement apply either separately to each described premises or on an “occurrence” basis. Refer to each coverage within this endorsement for application of coverage.

	Limits of Insurance	Amended Limits of Insurance	Page
1. Additional Covered Property	Included	N/A	3
2. Brands & Labels	Included	N/A	4
3. Broadened Building Coverage	Included	N/A	4
4. Broadened Business Personal Property	Included	N/A	4
5. Building Limit - Inflation Guard	Included	N/A	5
6. Business Income & Extra Expense from Dependent Properties	\$150,000	\$	5
7. Catastrophe Allowance	\$50,000	N/A	5
8. Computer and Funds Transfer Fraud	\$15,000	\$	6
9. Consequential Loss to Stock	Included	N/A	6
10. Contract Penalties	\$50,000	\$	6
11. Debris Removal	\$250,000	\$	6
12. Denial of Access to Premises	Included	N/A	7
13. E-Commerce	\$10,000	\$	7
14. Electronic Data Processing Equipment	Included	N/A	8
15. Employee Theft including ERISA Compliance	\$100,000	\$	8
16. Employee Tools and Work Clothing	\$25,000	\$	10
17. Expediting Expense	\$50,000	\$	11
18. Extended Business Income	180 Days	N/A	11

19.	Extended Coverage on Property – within 2000 feet	Included	N/A	11
20.	Extra Expense	\$300,000	\$	11
21.	Fire Protection Equipment Recharge	Included	N/A	12
22.	Food Contamination including	\$25,000	\$	12
	Additional Advertising Expense	\$3,000	\$	12
23.	Forgery or Alteration	\$30,000	\$	12
24.	Foundations & Underground Pipes	Included	N/A	13
25.	International Air Shipments	\$50,000	\$	13
26.	Inventory & Loss Appraisal	\$250,000	\$	14
27.	Key Replacement & Lock Repair	\$20,000	\$	14
28.	Lease Cancellation	\$50,000	\$	14
29.	Leasehold Interest – Tenants	\$150,000	\$	15
30.	Marring & Scratching	Included	N/A	15
31.	Money & Securities	\$25,000	\$	15
32.	Money Orders & Counterfeit Money	\$25,000	\$	16
33.	Newly Acquired or Constructed Property – Building	\$2,000,000	\$	16
	Newly Acquired – Business Personal Property	\$1,000,000	\$	16
34.	Newly Acquired Locations – Business Income & Extra Expense	\$250,000	\$	17
35.	Non-Owned Detached Trailers	\$25,000	N/A	17
36.	Ordinance or Law	\$500,000	\$	17
37.	Pollutant Clean-Up and Removal	\$100,000	\$	20
38.	Preservation of Property	90 Days	N/A	20
39.	Preservation of Property – Expense	\$50,000	\$	20
40.	Property in Transit	\$100,000	\$	21
41.	Property Off Premises	\$150,000	\$	21
42.	Prototypes	Included	N/A	21
43.	Rewards – Arson, Theft, Vandalism	\$75,000	\$	22
44.	Sales Representative Samples	\$25,000	\$	22
45.	Seasonal Increase – Business Personal Property	Included	N/A	22
46.	Sewer Backup	Included	N/A	23
47.	Soft Costs	\$25,000	\$	23
48.	Temporary Relocation of Property	\$100,000	\$	23
49.	Tenant Glass	\$15,000	\$	23
50.	Tenant Relocation	\$50,000	\$	24
51.	Theft Damage to Building	Included	N/A	24
52.	Transit Business Income & Extra Expense	\$75,000	\$	25
53.	Undamaged Tenants Improvements and Betterments	\$50,000	\$	25
54.	Underground Water Seepage	\$50,000	N/A	25
55.	Unintentional Property Reporting Errors	\$500,000	N/A	26
56.	Unnamed Locations	\$150,000	\$	26
57.	Utility Services – Direct Damage	\$100,000	\$	27
	Utility Services – Business Income	\$100,000	\$	27
58.	Voluntary Parting	\$50,000	\$	27
59.	Water Damage, Other Liquids, Powder or Molten Material Damage	\$50,000	\$	28

60. Windblown Debris	\$10,000	\$ 28
61. Worldwide Property Off-Premises	\$75,000	\$ 28
<b>B. Coverages Included within the Blanket Limit of Insurance:</b>		
<b>Blanket Limit of Insurance</b>	<b>\$500,000</b>	

The Blanket Limit of Insurance shown above applies to all Coverages shown in **Section III. B.** of this Endorsement. At the time of loss, you may elect to apportion this Blanket Limit of Insurance to one or any combination of the Coverages shown, but under no circumstances will the aggregate apportionment be permitted to exceed the Blanket Limit of Insurance shown above. The Blanket Limit of Insurance applies per "occurrence".

	<b>Amended Limits of Insurance</b>	<b>Page</b>
1. Accounts Receivable	\$	28
2. Deferred Payments	\$	29
3. Fine Arts	\$	29
4. Fire Department Service Charge	\$	30
5. Movement of Property	\$	30
6. Outdoor Property	\$	30
7. Personal Effects & Property of Others	\$	31
8. Research and Development Documentation	\$	31
9. Valuable Papers and Records (Other Than Electronic Data)	\$	32

## II. DEDUCTIBLE

We will not pay for covered loss or damage in any one "occurrence" unless the amount of loss or damage exceeds the deductible amount shown in the Declarations of this Policy. We will then pay the amount of loss or damage in excess of the Deductible, up to the Limit of Insurance for all applicable coverages listed under **SECTION I – COVERAGES**. No deductible applies to coverages where specifically designated.

## III. COVERED PROPERTY

### A. Scheduled Coverages

#### 1. Additional Covered Property

- a. The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

#### **Additional Covered Property**

- (1) You may extend the insurance that applies to your Business Personal Property to also include "theft" or attempted "theft" of your patterns, dies, molds and forms.
- b. **C. Limitations**, Paragraph **3.** of Causes of Loss – Special Form CP 10 30 is replaced by the following:
3. The special limit shown for each category **a.** through **e.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one "occurrence" of "theft", regardless of the types or number of articles that are lost or damaged in that "occurrence". The special limits

are:

- a. \$10,000 for furs, fur garments and garments trimmed in fur.
- b. \$10,000 for jewelry, watches, watch movements, jewels and pearls. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c. \$35,000 for precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals.
- d. \$5,000 for patterns, dies, molds and forms owned by others. This special limit does not apply to those patterns, dies, molds and forms owned by you or for which you are responsible under written contract existing before loss.
- e. \$1,000 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income coverage or to Extra Expense coverage.

All other provisions of **C. Limitations** of Causes of Loss – Special Form CP 10 30 remain unchanged.

## 2. Brands & Labels

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### Brands & Labels

- (1) If Covered Property that has a brand or label is damaged by a Covered Cause of Loss and we elect to take all or any part of the damaged property at an agreed or appraised value, you may extend the insurance that applies to Your Business Personal Property to:

- (a) Pay expenses you incur to:

- (i) Remove the brand or label and then re-label the damaged property to comply with any applicable law; or

- (ii) Label or stamp the damaged property as Salvage, if doing so will not physically damage the property.

- (b) Cover any reduction in the salvage value of the damaged property as a result of the removal of the brand or label.

- (2) Payment under this Extension is included within the Limit of Insurance applicable to your Business Personal Property.

## 3. Broadened Building Coverage

- a. The following is added to **A. Coverage**, Paragraph **1. Covered Property**, subparagraph **a. Building** of Building and Personal Property Coverage Form CP 00 10:

- (6) Foundations of machinery, tanks and their component parts including all connections which are below:

- (a) The lowest basement floor; or  
(b) The surface of the ground, if

there is no basement.

- (7) Your personal property in apartments or rooms furnished by you as landlord;

- (8) The following property if it is located on or within 2000 feet of a covered building or structure:

- (a) Exterior lighting fixtures or poles;

- (b) Yard fixtures;

- (c) Fences; and

- (d) Retaining Walls whether or not attached to the building

- (9) Signs, whether or not they are attached to covered buildings or structures;

- (10) Building glass, including skylights, glass doors and windows, and their encasement frames, alarm tape, lettering and ornamentation;

- (11) Your new buildings while being built on or within 2000 feet of the described premises; and

- (12) Driveways, patios and walks.

- b. Under **C. Limits of Insurance** of Building and Personal Property Coverage Form CP 00 10, the \$2,500 limitation on outdoor signs is deleted.

## 4. Broadened Business Personal Property

- a. The following is added to **A. Coverage**, Paragraph **1. Covered Property**, subparagraph **b. Your Business Personal Property** of Building and Personal Property Coverage Form CP 00 10:

- (8) Property of others that is in your care, custody or control;

- (9) "Scientific & professional equipment";

- (10) Building glass you have a contractual responsibility to insure;

- (11) "Installation, tools & equipment property"; and

- (12) Patterns, molds & dies.

- b. **A. Coverage**, Paragraph **1. Covered Property**, subparagraph **c. Personal Property of Others** of Building and Personal Property Coverage Form CP 00 10, is deleted.

## 5. Building Limit – Inflation Guard

The following is added to **C. Limits of**



**Insurance** of Building and Personal Property Coverage Form CP 00 10:

**Building Limit – Inflation Guard**

We will pay either the actual cash value or the replacement cost value, based on the valuation method shown in the Declarations, of the damaged portion of the building at the time of loss, but not more than 115% of the Limit of Insurance for Building if:

- a. The amount of any loss covered by this policy exceeds the Limit of Insurance for Building stated in the Declarations for the damaged Building; and
- b. The actual repair or replacement is completed within one year of the date of loss.

**6. Business Income & Extra Expense from Dependent Properties**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

**Business Income & Extra Expense from Dependent Properties**

- (1) We will pay the actual loss of business income you sustain due to the necessary “suspension” of your “operations” during the “dependent property period of restoration”. The “suspension” must be caused by direct physical loss of or damage to “dependent property” caused by or resulting from a Covered Cause of Loss.
- (2) We will pay the actual and necessary Extra Expense you incur due to direct physical loss of or damage to “dependent property” caused by or resulting from a Covered Cause of Loss.
- (3) Under this Additional Coverage, the definition of Extra Expense is replaced with the following:  
Extra Expense means necessary expenses you incur during the “dependent property period of restoration” that you would not have incurred if there had been no direct physical loss or damage to the premises of any “dependent property” caused by or resulting from a Covered Cause of Loss:  
(a) To avoid or minimize the

“suspension” of business and to continue “operations”; or

- (b) To minimize the “suspension” of business if you cannot continue “operations”.
- (4) For Business Income coverage under this Additional Coverage, the Coverage Territory for “dependent property” is expanded to all parts of the world.
- (5) We will reduce the amount of your:
  - (a) Business income loss, other than extra expense, to the extent you can resume “operations” in whole or in part by using any other available:
    - (i) Source of materials; or
    - (ii) Outlet for your products
  - (b) Extra Expense loss to the extent you can return “operations” to normal and discontinue such extra expense.
- (6) The most we will pay under this Additional Coverage is \$150,000 per “occurrence” regardless of the number of “dependent properties” that are involved, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (7) The amount payable under this Additional Coverage is additional insurance.

**7. Catastrophe Allowance**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Catastrophe Allowance**

- (1) This Coverage Extension applies when the direct physical loss or damage to Covered Property is the result of an insured event for which Property Claims Service has publicly designated a catastrophe number to the event.
- (2) You may extend the insurance provided under this Coverage Form if the limits provided under **C. Limits of Insurance** of Building and Personal Property Coverage Form CP 00 10 are insufficient to compensate you for covered loss or damage you incur as a result of the insured Catastrophe event.

(3) This Coverage Extension may not be applied to the deductible amount of this policy or any other policy. It also may not be used to cover any loss or damage that would not be covered under this policy.

(4) The most we will pay under this Extension in any one "occurrence" is \$50,000.

The most we will pay under this Extension during each separate 12 month period of this policy is \$50,000.

#### **8. Computer and Funds Transfer Fraud**

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Computer and Funds Transfer Fraud**

(1) We will pay for loss of and damage to "money", "securities" and "other property" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described "banking premises":

(a) To a person (other than a messenger) outside those banking premises; or

(b) To a place outside those premises.

(2) The most we will pay for loss of "money" and "securities" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" and "securities" from your "transfer account" is \$15,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, regardless of the number of "fraudulent instructions" involved.

#### **9. Consequential Loss to Stock**

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Consequential Loss to Stock**

(1) You may extend the insurance that applies to Your Business Personal Property to apply to the reduction in value of the remaining parts of "stock" in process of manufacture that are physically undamaged but are

unmarketable as a complete product because of direct physical loss or damage from a Covered Cause of Loss to other parts of covered "stock" in process of manufacture at an insured location.

(2) Should it be determined that such "stock" retains only a salvage value, we retain the option of paying the full value of the "stock" as agreed within this policy, and taking the damaged property for salvage purposes.

(3) Payment under this Coverage Extension is included within the applicable Limit of Insurance.

#### **10. Contract Penalties**

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Contract Penalties**

(1) We will pay for contractual penalties you are required to pay due to your failure to provide your product or service according to contract terms because of direct physical loss or damage by a Covered Cause of Loss to Covered Property.

(2) The most we will pay for all penalties in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(3) The amount payable under this Additional Coverage is additional insurance.

#### **11. Debris Removal**

a. **A. Coverage Paragraph 4. Additional Coverages**, subparagraph **a.(4)** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

##### **(4) Debris Removal**

We will pay up to an additional \$250,000 for debris removal expense, for each location, in any one "occurrence" of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage



exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

- (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

If (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$250,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

- b. **A. Coverage Paragraph 4. Additional Coverages**, subparagraph a.(5) of Building and Personal Property Form CP 00 10 is deleted:

## 12. Denial of Access to Premises

The following is added to **A. Coverage**, Paragraph **5. Additional Coverages** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581:

### Denial of Access to Premises

- (1) We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur when ingress to or egress from the described premises is prevented, due to direct physical loss of or damage to property that is away from but within 2000 feet of the described premises, caused by or resulting from any Covered Cause of Loss covered under this policy.
- (2) The coverage for Business Income will begin 72 hours after the loss or damage to the premises that causes the denial of access and will apply for a period of up to 30 consecutive days after coverage begins.
- (3) The coverage for Extra Expense will begin immediately after the loss or damage to the premises that causes the denial of access and will end:
  - (a) 30 consecutive days after

coverage begins; or

- (b) When your Business Income coverage ends;

whichever is earlier.

## 13. E-Commerce

### a. **Electronic Vandalism – Direct Damage**

- (1) **A. Coverage**, Paragraph **2. Property Not Covered**, subparagraph n. of Building and Personal Property Coverage Form CP 00 10 is deleted.

- (2) **A. Coverage**, Paragraph **4. Additional Coverages**, subparagraph f. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

### f. **Electronic Vandalism – Direct Damage**

We cover direct physical loss or damage to covered “computer equipment” at the described premises caused by “electronic vandalism”.

### b. **Electronic Vandalism - Interruption of Computer Operations**

- (1) **A. Coverage**, Paragraph **4. Additional Limitation – Interruption of Computer Operations** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage – Actual Loss Sustained 411-0581 is deleted.

- (2) **A. Coverage**, Paragraph **5. Additional Coverages**, subparagraph d. of Business Income (and Extra Expense) Coverage Form CP 00 30, and Business Income (and Extra Expense) Coverage – Actual Loss Sustained 411-0581 is replaced by the following:

### d. **Electronic Vandalism – Interruption of Computer Operations**

You may extend the insurance that applies to Business Income & Extra Expense to apply to a “suspension” of “operations” caused by an interruption in computer

operations at the described premises due to "electronic vandalism" originating anywhere in the world.

We will only pay for loss of Business Income or Extra Expense that occurs during the "period of restoration".

- c. The most we will pay for all loss or damage from both Electronic Vandalism – Direct Damage and Electronic Vandalism – Interruption of Computer Operations in any one "occurrence" is \$10,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- d. The amount payable under this Additional Coverage is additional insurance.
- e. **Special E-Commerce Exclusions**

We do not cover:

- (1) Loss of proprietary use of any "electronic data" or "proprietary programs" that have been copied, scanned, or altered;
- (2) Loss of or reduction in economic or market value of any "electronic data" or "proprietary programs" that have been copied, scanned, or altered; and
- (3) Theft from your "electronic data" or "proprietary programs" of confidential information through the observation of the "electronic data" or "proprietary programs" by accessing covered "computer equipment" without any alteration or other physical loss or damage to the records or programs. Confidential information includes, but is not limited to, customer information, processing methods, or trade secrets.

#### 14. Electronic Data Processing Equipment

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Electronic Data Processing Equipment**

- (1) We will pay for direct physical loss or damage to the following Covered Property which is your property or property in your care, custody or control:

- (a) "Computer equipment"; and
- (b) Programming documentation and instruction manuals.

- (2) We will also cover the necessary extra expenses you incur to avoid or minimize the suspension of business and to continue "operations" because of direct physical loss or damage to covered property.

- (3) The following Exclusions do not apply to this Additional Coverage:

- (a) Earth Movement; and
- (b) Water.

- (4) We will not pay for any loss to the following property:

- (a) Property you rent, loan or lease to others while it is away from the described premises; or
- (b) Property you hold for sale, distribute or manufacture.

- (5) Payment under this Additional Coverage is included within the Limit of Insurance applicable to your Business Personal Property.

#### **(6) Special Electronic Data Processing Equipment Exclusions**

We do not cover:

- (a) Any extra expense caused by an error or omission in programming or incorrect instructions to "hardware";
- (b) Direct physical loss to covered property caused by:
  - (i) "Electrical disturbance";
  - (ii) "Power supply disturbance;";
  - (iii) "Computer virus"; or
  - (iv) "Computer hacking".

#### **15. Employee Theft including ERISA Compliance**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Employee Theft including ERISA Compliance**

- (1) We will pay for loss or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", clergy, or any non-compensated person whether identified or not, acting alone

or in collusion with other persons.

For the purposes of this Additional Coverage, "theft" shall also include "forgery".

- (2) This Additional Coverage terminates as to any "employee" as soon as:

- (a) You; or
- (b) Any of your partners, "members", "managers", officers, directors or trustees not in collusion with the "employee";

"Discovered" the "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

- (3) Under this Additional Coverage, "occurrence" means:

- (a) An individual act;
- (b) The combined total of all separate acts whether or not related; or
- (c) A series of acts whether or not related;

Committed by an "employee" acting alone or in collusion with other persons, during the policy period, before such policy period or both.

- (4) We will pay only for loss you sustain through acts committed or events occurring anytime which is "discovered" by you:

- (a) During the policy period; or
- (b) No later than 1 year from the date of termination or cancellation of this insurance. However this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this Additional Coverage, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

- (5) You may extend this coverage to apply to loss caused by any "employee" while temporarily outside the Coverage Territory for a period of not more than 90 days.

- (6) The most we will pay for all loss resulting directly from an "occurrence" is \$100,000 or the Limit of Insurance

shown in the Amended Limits Section of this Endorsement. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year.

- (7) The amount payable under this Additional Coverage is additional insurance.

#### **(8) Special Employee Theft Exclusions**

We will not pay for:

- (a) Loss resulting from "theft" or any other dishonest act committed by:

- (i) You; or
- (ii) Any of your partners or "members";

Whether acting alone or in collusion with other persons.

- (b) Loss caused by an "employee" if the "employee" has also committed "theft" or any other dishonest act prior to the effective date of this policy and you or any of your partners, "managers", officers, directors or trustees, not in collusion with the "employee", learned of that "theft" or dishonest act prior to the policy period shown in the Declarations.

- (c) Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:

- (i) Whether acting alone or in collusion with other persons; or
- (ii) While performing services for you or others;

Except when covered under this Additional Coverage.

- (d) Loss that is an indirect result of an "occurrence" covered by this Additional Coverage, including, but not limited to, loss resulting from:

- (i) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property";
- (ii) Payment of damages of any type for which you are legally liable;

(iii) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this Additional Coverage.

(e) Fees, costs and expenses incurred by you which are related to any legal action.

(f) Loss or that part of any loss, the proof of which as to its existence or amount is dependent upon

(i) An inventory computation; or

(ii) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

(g) Loss resulting from trading, whether in your name or in a genuine or fictitious account.

(h) Loss resulting from fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.

(i) Loss resulting from:

(i) The unauthorized disclosure of your confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or

(ii) The unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information, credit card information or similar no public information.

**(9) Welfare and Pension Plan ERISA Compliance**

(a) The "employee benefit plan" (hereafter referred to as Plan) is included as an insured under this Additional Coverage.

(b) If any Plan is insured jointly with any other entity under this

Additional Coverage, you or the Plan Administrator must select a Limit of Insurance for this Additional Coverage that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required if each Plan were separately insured.

(c) With respect to loss sustained or "discovered" by any such Plan, Paragraph (1) above is replaced with the following:

We will pay for loss of or damage to "funds" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

(d) If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.

(e) If two or more Plans are insured under this Additional Coverage, any payment we make for loss:

(i) Sustained by two or more Plans; or

(ii) Of commingled "funds" or "other property" of two or more Plans;

Resulting from an "occurrence", will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total Limit of Insurance of all Plans sustaining loss.

(f) The Deductible does not apply to this Additional Coverage.

**16. Employee Tools and Work Clothing**

The following is added to **A. Coverage**, Paragraph 4. **Additional Coverages** of Business and Personal Property Coverage Form CP 00 10:

**Employee Tools and Work Clothing**

(1) We will pay for direct physical loss of or damage to tools and work clothing of your "employees" damaged by a Covered Cause of Loss while such tools and work clothing are located at an insured location, your job sites or while "in transit" to and from your job

sites, while in your vehicle.

- (2) The most we will pay for loss or damage under this Additional Coverage is \$25,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, but not more than \$500 for any one tool or item of clothing. The amount payable under this Additional Coverage is additional insurance.
- (3) The Coinsurance condition does not apply to this Additional Coverage.

#### 17. Expediting Expense

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Expediting Expense

- (1) When a Covered Cause of Loss occurs to Covered Property, we will pay for the reasonable and necessary additional expenses you incur to:
  - (a) Make temporary repairs;
  - (b) Expedite permanent repair or replacement of damaged property; or
  - (c) Provide training on replacement machines or equipment.
- (2) The most we will pay for loss under this Additional Coverage in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) The amount payable under this Additional Coverage is additional insurance.

#### 18. Extended Business Income

**A. Coverage, Paragraph 5. Additional Coverages**, subparagraphs **c.(1)(b)** and **(2)(b)** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage form – Actual Loss Sustained 411-0581 are replaced by the following:

- (1)(b) Ends on the earlier of:
  - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or

- (ii) 180 consecutive days after the date determined in **(1)(a)** above.

#### (2)(b) Ends on the earlier of:

- (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would general the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
- (ii) 180 consecutive days after the date determined in **(2)(a)** above.

#### 19. Extended Coverage on Property – within 2000 feet

Under the Building and Personal Property Coverage Form CP 00 10, Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581 all provisions that limit the location of property to "within 100 feet" of a described premise are replaced with "within 2000 feet" of a described premise.

#### 20. Extra Expense

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Extra Expense

- (1) When a Covered Cause of Loss occurs to Covered Property at a location described in the declarations, we will pay for the reasonable and necessary extra expense you incur to continue as nearly as possible your normal business operations following the covered loss or damage.
- (2) The most we will pay for loss under this Additional Coverage in any one "occurrence" is \$300,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) The amount payable under this Additional Coverage is additional insurance.
- (4) No deductible applies to this coverage.

#### 21. Fire Protection Equipment Recharge

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage



Form CP 00 10:

### **Fire Protection Equipment Recharge**

- (1) We will pay expenses you incur to recharge or refill your fire protection equipment due to the leakage or discharge:
  - (a) To prevent or control loss;
  - (b) Accidentally; or
  - (c) As a result of malfunction of the equipment.
- (2) The Deductible does not apply to this Additional Coverage. Payment under this Additional Coverage is included within the applicable Limit of Insurance.

## **22. Food Contamination**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### **Food Contamination**

- (1) If your business at the described premises is ordered closed by the Board of Health or any other governmental authority as a result of the discovery of "food contamination", we will pay:
  - (a) Your expense to clean your equipment as required by the Board of Health or any other governmental authority;
  - (b) Your cost to replace the food which is, or is suspected to be contaminated;
  - (c) Your expense to provide necessary medical tests or vaccinations for your infected "employees". However, we will not pay for any expense that is otherwise covered under a Workers' Compensation Policy;
  - (d) The loss of Business Income you sustain due to the necessary "suspension" of your "operations". The coverage for Business Income will begin 24 hours after you receive notice of closing from the Board of Health or any other governmental authority; and
  - (e) Additional Advertising expenses you incur to restore your reputation.
- (2) The most we will pay for all loss under

Paragraphs **(1)(a)** through **(1)(d)**, including Business Income is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

The most we will pay for all loss under Paragraph **(1)(e)** is \$3,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

### **(3) Special Food Contamination Exclusion**

We will not pay any fines or penalties levied against you by the Board of Health or any other governmental authority as a result of the discovery of food contamination at the described premises.

## **23. Forgery or Alteration**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### **Forgery or Alteration**

- (1) We will pay for loss resulting directly from "forgery" or alteration of checks, credit cards, debit cards, charge cards, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:
  - (a) Made or drawn by or drawn upon you; or
  - (b) Made or drawn by one acting as your agent;
 or that are purported to have been made or drawn.
- (2) If you are sued for refusing to pay any instrument covered in paragraph **(1)** above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense.
- (3) Under this Additional Coverage, any loss:
  - (a) Caused by any one or more persons; or
  - (b) Involving a single act or series of related acts;
 is considered one "occurrence" regardless of the number of checks, credit cards, debit cards, charge cards, drafts, promissory notes, or

similar written promises, orders or directions involved.

**(4) Special "Forgery" or Alteration Exclusion**

This Additional Coverage does not apply to:

Loss arising from any credit, debit or charge card if you have not complied fully with the provisions, conditions or other terms under which the card was issued.

- (5)** The most we will pay for loss, including legal expenses, resulting directly from an "occurrence" under this Additional Coverage is \$30,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, but not more than \$1,000 for any loss arising from any credit, debit or charge card forgery or "Alteration". Regardless of the number of years this policy remains in force or the number or premiums paid, no Limit of Insurance cumulates from year to year. The Deductible does not apply to this Additional Coverage.

- (6)** The amount payable under this Additional Coverage is additional insurance.

**24. Foundations & Underground Pipes**

- a. The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Foundations & Underground Pipes**

- (1)** You may extend the insurance that applies to Building to apply to loss or damage to:

- (a)** Foundations of buildings, structures, machinery or boilers if their foundations are below:

- (i)** The lowest basement floor; or

- (ii)** The surface of the ground, if there is no basement;

- (b)** Underground pipes, flues and drains; and

- (c)** The cost of excavating, grading, backfilling or filling

when such loss or damage is caused by a Covered Cause of Loss.

- (2)** The most we will pay for loss under this Coverage Extension is the applicable building Limit of Insurance.

- (3)** Payment under this Addition Coverage is included within the applicable Limit of Insurance.

- b. **A. Coverage, Paragraph 2. Property Not Covered**, subparagraphs **f.**, **g.**, and **m.** of Building and Personal Property Coverage Form CP 00 10, do not apply to this coverage.

**25. International Air Shipments**

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**International Air Shipments**

- (1)** You may extend the insurance that applies to your Business Personal Property and Personal Property of Others that we ship to apply to that property; while being shipped by air:

- (a)** Anywhere within the Coverage Territory to or from a location outside of the coverage territory; or

- (b)** Between locations outside of the coverage territory;

- (2)** This coverage extension only applies to the shipment of your property which originates and terminates at a location specified in the air waybill.

- (3)** The most we will pay for loss or damage under this Extension in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(4) Special International Air Shipments Exclusion**

This Extension does not apply to:

Business Personal Property if there is other insurance in force covering the same loss.

**26. Inventory & Loss Appraisal**

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Inventory and Loss Appraisal**

- (1)** We will pay all reasonable expenses you incur at our request to assist us in:

- (a) The investigation of a claim;
  - (b) The determination of the amount of loss, such as taking inventory; or
  - (c) The cost of preparing specific loss documents and other supporting exhibits.
- (2) Expenses you incur include costs charged to you by others, including property managers, acting on your behalf to assist us with item (1) above.
- (3) The Deductible does not apply to this Extension.
- (4) Regardless of the number of described premises involved, the most we will pay under this Extension for loss or damage in any one "occurrence" is \$250,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(5) Special Inventory and Loss Appraisal Exclusions**

We will not pay for expenses:

- (a) Incurred to perform your duties in the event of loss under **E. Loss Conditions** of Building and Personal Property Coverage Form CP 00 10;
- (b) To prove that loss or damage is covered;
- (c) Billed by and payable to independent or public adjusters, attorneys or any of their affiliated or associated entities;
- (d) To prepare claims not covered by this policy; or
- (e) Incurred under any Appraisal provisions within the policy.

**27. Key Replacement & Lock Repair**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Key Replacement & Lock Repair**

- (1) You may extend the insurance provided under this Coverage Form to cover the reasonable and necessary expense you incur due to a covered "theft" for:
- (a) Replacement of keys if they are stolen;
  - (b) Lock repair; or

- (c) Rekeying, replacing or reprogramming undamaged locks to accept new keys or entry codes when the building security has been compromised.

- (2) The most we will pay under this Extension is \$20,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement. The Deductible does not apply to this Extension.

**28. Lease Cancellation**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

**Lease Cancellation**

- (1) We will pay the actual loss of business income you sustain due to the cancellation of a lease by your tenants in a Covered Building due to untenability that is caused by direct physical loss or damage to that building from a Covered Cause of Loss.

This Additional Coverage only applies if at the time of loss the building was occupied and business was being conducted by the tenant canceling the lease or their sub-lessee; or a lease was signed but the building was not yet occupied by the tenant.

- (2) We will pay for loss of business income that you sustain after tenantability is restored and until the earlier of:
- (a) The date you lease the premises to another tenant; or
  - (b) 12 months immediately following the "period of restoration".

- (3) The amount payable under this Additional Coverage is additional insurance.

- (4) Regardless of the number of tenants canceling a lease at the described premises, the most we will pay under this Additional Coverage is \$50,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(5) Special Lease Cancellation Exclusions**

We will not pay for:

- (a) Lease cancelled after the "period



of restoration”;

- (b) Lease cancelled, suspended or allowed to lapse by you;
- (c) Return of pre-paid rent or security and other deposits made by tenants; or
- (d) Lease cancelled at the normal expiration date.

## 29. Leasehold Interest – Tenants

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages**, of Building and Personal Property Coverage Form CP 00 10:

### Leasehold Interest – Tenants

- (1) We will pay for the loss of prepaid rent you sustain due to the cancellation of your written lease. The cancellation must result from direct physical loss or damage to property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.
- (2) This Additional Coverage only applies if at the time of loss you were occupying and conducting business at the described premises.
- (3) The amount payable under this Additional Coverage is additional insurance.
- (4) The most we will pay for loss in any one “occurrence” is the lesser of:
  - (a) The unused pro-rata portion of prepaid rent based on the period of time remaining in your lease, which you have paid at the described premises where your lease was cancelled; or
  - (b) \$150,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

### (5) Special Leasehold Interest Exclusion

We will not pay for:

- (a) Lease cancelled, suspended or allowed to lapse by you; or
- (b) Lease cancelled at the normal expiration date.

## 30. Marring & Scratching

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

## Marring & Scratching

- (1) You may extend the insurance that applies to Business Personal Property to apply to damage caused directly by sudden and accidental marring and scratching of:
  - (a) Your “stock”;
  - (b) Your printing plates; or
  - (c) Property of others that is in your care, custody or control.
- (2) This Extension does not apply to:
  - (a) Property at other than the described premises; or
  - (b) Property in transit.
- (3) Payment under this Extension is included within Limit of Insurance applicable to your Business Personal Property.

## 31. Money & Securities

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### Money & Securities

- (1) We will pay for loss of “money” and “securities” while:
  - (a) Inside the described premises;
  - (b) At a “banking premises”;
  - (c) Temporarily within your living quarters or the living quarters of any other member, volunteer; or
  - (d) “employee” having use and custody of the property; or
  - (e) “In transit” between (1)(a), (1)(b), or (1)(c)
 that results directly from:
  - (f) “theft”; or
  - (g) Disappearance or destruction.
- (2) Under this Additional Coverage, all loss:
  - (a) Caused by one or more persons; or
  - (b) Involving a single act or series of related acts;
 is considered one “occurrence”.
- (3) You must keep records of all “money” and “securities” so we can verify the amount of any one loss or damage.
- (4) The amount payable under this

Additional Coverage is additional insurance.

- (5) The most we will pay for loss in any one "occurrence" is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(6) Special Money & Securities Exclusions**

We will not pay for loss:

- (a) Resulting from accounting or arithmetic errors or omissions;
- (b) Resulting from giving or surrendering of property in any exchange or purchase; or
- (c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- (d) Loss or damage to "money" and "securities" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described "banking premises":
  - (i) To a person (other than a messenger) outside those premises; or
  - (ii) To a place outside those premises.

**32. Money Orders & Counterfeit Money**

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

**Money Orders & Counterfeit Money**

- (1) We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:
  - (a) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
  - (b) "Counterfeit money" that is acquired during the regular course of business.
- (2) The most we will pay for loss in any one "occurrence" is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

- (3) The amount payable under this Additional Coverage is additional insurance.

**33. Newly Acquired or Constructed Property**

**A. Coverage, Paragraph 5. Coverage Extensions**, subparagraph **a.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**a. Newly Acquired or Constructed Property**

**(1) Buildings**

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$2,000,000 at each building or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(2) Business Personal Property**

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
  - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
  - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or

The most we will pay for loss or damage under this

Extension is \$1,000,000 at each building or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(b) This Extension does not apply to:

(i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

(ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) This insurance may not be used to increase your Business Personal Property Limit. It does not apply to personal property you acquire as part of your usual customary business dealings whether or not such acquisition was related to anticipated seasonal demands. Under the terms of this policy, such property is not considered newly acquired, but falls within the provisions for Business Personal Property.

#### (4) Period of Coverage

With respect to insurance provided under this Coverage Extension for newly Acquired or Constructed Property, coverage will end when any of the following first occurs:

(a) This policy expires;

(b) 180 days after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

(c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

### 34. Newly Acquired Locations – Business Income & Extra Expense

#### A. Coverage, Paragraph 6. Coverage

**Extension** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581, **Newly Acquired Locations** is replaced by the following:

#### Newly Acquired Locations

a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.

b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$250,000 at each location or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

(1) This policy expires;

(2) 180 days expire after you acquire or begin to construct the property; or

(3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

### 35. Non-Owned Detached Trailers

**A. Coverage, Paragraph 5. Coverage Extensions**, subparagraph f. **Non-Owned Detached Trailers**, item (3) of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

(3) The most we will pay for loss or damage under this Extension is \$25,000, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

### 36. Ordinance or Law

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

#### Ordinance or Law

(1) This Additional Coverage applies only to buildings which are insured on a Replacement Cost basis.

#### (2) Application of Coverage

This Additional Coverage applies only if both (a) and (b) below are satisfied and are then subject to the

qualifications set forth in **(c)**.

**(a) The Ordinance or Law:**

- (i)** Regulates the construction or repair of a building or structure, or establishes zoning or land use requirements at the described premises;
- (ii)** Requires the demolition of undamaged parts of a covered building or structure that is damaged or destroyed by a Covered Cause of Loss; and
- (iii)** Is in force at the time of loss.

But coverage under this Additional Coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this coverage.

- (b) (i)** The building sustains direct physical damage that is covered under this Policy and such damage results in enforcement of or compliance with the ordinance or law; or
- (ii)** The building sustains both direct physical damage that is covered under this Policy and direct physical damage that is not covered under this Policy, and the building damage in its entirety results in enforcement of or compliance with the ordinance or law.
- (iii)** But if the building sustains both direct physical damage that is covered under this Policy and direct physical damage that is not covered under this Policy, and the damage that is not covered is the subject of the ordinance or law, then there is no coverage under this Additional Coverage.
- (c)** In the situation described in **(b)(ii)** above, we will not pay the full amount of loss otherwise payable under the terms of coverages for Coverage for Loss to Undamaged portion of the Building, Demolition Cost Coverage or Increased Cost

of Construction Coverage. Instead, we will only pay the proportion that covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage alone would have resulted in enforcement of the ordinance or law, then we will pay the full amount of the loss otherwise payable under the terms of Coverage for Loss or Damage to the Undamaged Portion of the Building, Demolition Cost Coverage or Increased Cost of Construction Coverage.

- (3)** We will not pay under this Additional Coverage for the costs associated with the enforcement of any ordinance or law which requires an insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

**(4) Coverage**

**(a) Loss to Undamaged Portion of the Building**

With respect to the building that has sustained covered direct physical damage; we will pay for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building. Coverage for Loss to the Undamaged Portion of the Building is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Coverage does not increase the Limit of Insurance.

**(b) Demolition Cost**

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of the undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

**(c) Increased Cost of Construction**

With respect to the building that has sustained covered direct physical damage; we will pay the increased cost to:

- (i) Repair or reconstruct damaged portions of that buildings; and/or
- (ii) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

When the increased cost is a consequence of enforcement of or compliance with the minimum requirements of the ordinance or law.

However:

This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

**(5) Loss Payment**

- (a) The following loss payment provisions are subject to the apportionment procedure set forth in Section **m.2.(c)** of this Additional Coverage.
- (b) When there is a loss in value of an undamaged portion of the building to which Coverage for Loss to the Undamaged Portion of the building applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
  - (i) If the property is repaired or replaced on the same premises, we will not pay more than the lesser of:
    - 1) The amount you actually spend to repair, rebuild or reconstruct the building,

but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

- 2) The Limit of Insurance shown in the Declarations as applicable to the covered building.
- (ii) If the property is not repaired or replaced, we will not pay more than the lesser of:
  - 1) The actual cash value of the building; or
  - 2) The Limit of Insurance shown in the Declarations as applicable to the covered building.
- (c) The most we will pay for the total of all covered losses for Demolition Cost and Increased Cost of Construction is the Limit of Insurance shown below. Subject to this combined Limit of Insurance, the following loss payment provisions apply:
  - (i) For Demolition Cost, we will not pay for more than the amount you actually spend to demolish and clear the site of the described premises.
  - (ii) For Increased Cost of Construction:
    - 1) We will not pay for the increased cost of construction:
      - a) Until the property is actually repaired or replaced, at the same or another premises; and
      - b) Unless the repairs or replacement are made as soon as possible after the loss or damage, not to exceed two years.
    - 2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will



pay for the increased cost of construction is the increased cost of construction at the same premises.

(iii) The most we will pay for loss under Demolition Cost and Increased Cost of Construction for each building is \$500,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(iv) Under this endorsement we will not pay for loss due to any ordinance or law that:

- 1) You were required to comply with before the loss, even if the building was undamaged; and
- 2) You failed to comply with

### **37. Pollutant Clean-Up and Removal**

**A. Coverage, Paragraph 4. Additional Coverages**, subparagraph d. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

#### **d. Pollutant Clean-Up and Removal**

- (1) We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.
- (2) This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants".
- (3) But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.
- (4) The most we will pay under this Additional Coverage for each described premises is \$100,000, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, for the sum of all covered expenses arising out

of Covered Causes of Loss occurring during each separate 12-month period of this policy.

- (5) This Additional Coverage is an additional amount of insurance.

### **38 Preservation of Property**

**A. Coverage, Paragraph 4. Additional Coverage**, subparagraph b. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

#### **b. Preservation of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 90 days after the property is first moved.

### **39. Preservation of Property – Expense**

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

#### **Preservation of Property – Expense**

- (1) If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay your expenses to move or store the Covered Property.
- (2) This coverage applies for 90 days after the property is first moved, but does not extend past the date on which this policy expires.
- (3) The most we will pay under this Additional Coverage is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) Additional Coverage The amount payable under this is additional insurance.

### **40. Property in Transit**

**F. Additional Coverage Extensions**, Paragraph 1. of Causes of Loss – Special Form CP 10 30 is replaced by the following:

#### **1. Property in Transit**

- a. You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to your property or property of others that is in your care, custody or control while "in transit".
- b. You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to outgoing shipments that have been rejected, while in due course of transit back to you or while awaiting return shipment to you.
- c. This Extension applies to the property while:
  - (1) In a vehicle owned, leased or operated by you; or
  - (2) In the custody of a common carrier or contract carrier.
- d. The following Exclusions do not apply to this Extension:
  - (1) Earth Movement; and
  - (2) Water.
- e. The most we will pay for loss or damage under this Extension is \$100,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- f. This Coverage Extension is additional insurance.
- g. **Special Property in Transit Exclusions**  
This Extension does not apply to:
  - (1) Shipments that belong to others that you are transporting for a fee;
  - (2) Salesperson's samples; or
  - (3) Loss to "perishable stock" resulting from a breakdown of refrigeration equipment on any vehicle owned, leased or operated by you or while in the custody of a common or contract carrier.

#### 41. Property Off Premises

**A. Coverage, Paragraph 5. Coverage Extensions, subparagraph d. of Building**

and Personal Property Coverage Form CP 00 10, is replaced by the following:

#### d. Property Off Premises

- (1) You may extend the insurance that applies to Business Personal Property while:
  - (a) Temporarily at a location you do not own, lease or operate; or
  - (b) At any fair, trade show or exhibition.
- (2) The most we will pay for loss or damage under this Extension is \$150,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) **Special Property Off Premises Exclusion**  
This extension does not apply to property:
  - (a) In or on a vehicle; or
  - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

#### 42. Prototypes

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

#### Prototypes

- (1) You may extend the insurance that applies to your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to "prototypes" related to your "research and development operations" that:
  - (a) You own; or
  - (b) Are owned by others and in your care, custody or control; while at a described premises.
- (2) We will not pay for loss or damage to "prototypes" until you actually replicate such property. Repairs or replication must be made as soon as reasonably possible after the loss or damage, but in no event later than two years after the loss or damage unless we grant an extension in writing prior to the expiration of the two year period.



- (3) Payment under this Extension is included within your Business Personal Property Limit of Insurance.

#### **43. Rewards – Arson, Theft, Vandalism**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages**, of Building and Personal Property Coverage Form CP 00 10:

##### **Rewards – Arson, Theft, Vandalism**

- (1) We will reimburse you for payment of any reward offered on your behalf and for information that leads to the arrest and conviction of the person or persons responsible for:
  - (a) Arson;
  - (b) "Theft"; or
  - (c) Vandalism
 to Covered Property.
- (2) The arrest or conviction must involve a covered loss caused by arson, "theft" or vandalism.
- (3) The most we will pay under this Additional Coverage is \$75,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement. The amount we pay is not increased by the number of persons involved in providing the information.
- (4) The amount payable under this Additional Coverage is additional insurance.
- (5) The deductible does not apply to this Additional Coverage.

#### **44. Sales Representative Samples**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Sales Representative Samples**

- (1) We will pay for direct physical loss or damage by a Covered Cause of Loss to samples of your "stock" in trade (including containers) while:
  - (a) In the custody of your sales representative, agent or any "employee" who travels with sales samples;
  - (b) In your custody while acting as a sales representative; or
  - (c) "In transit" between the described premises and your sales

representatives.

- (2) The following Exclusions do not apply to this Additional Coverage:
  - (a) Earth Movement; and
  - (b) Water.
- (3) The most we will pay for any loss or damage under this Additional Coverage is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) The amount payable under this Additional Coverage is additional insurance.
- (5) We will not pay for loss to the following property:
  - (a) Property which has been sold;
  - (b) Jewelry, precious or semiprecious stones, gold, silver, platinum or other precious metals or alloys;
  - (c) Fur, fur garments of garments trimmed with fur; or
  - (d) Any property while waterborne.

#### **(6) Special Sales Representative Sample Exclusion**

We do not cover loss resulting from "theft" from an unattended vehicle, except when it is securely locked its windows are fully closed, and there is visible evidence that entry into the vehicle was forced.

#### **45. Seasonal Increase – Business Personal Property**

The following is added to **A. Coverage**, Paragraph **5 Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Seasonal Increase – Business Personal Property**

- (1) The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations in your business.
- (2) This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lessor of:
  - (a) The 12 months immediately preceding the date the loss or damage occurs; or
  - (b) The period of time you have been in business as of the date the loss

or damage occurs

#### 46. Sewer Backup

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Sewer Backup**

- (1) We will pay for direct physical loss or damage to Covered Property at the described premises, solely caused by or resulting from water or waterborne material carried or moved by water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment. The term drain includes a roof drain and its related fixtures.
- (2) Payment under this Additional Coverage is included within the applicable Limit of Insurance for Covered Property at the location of loss or damage.
- (3) **Special Sewer Backup Exclusion**

We will not pay for:

- (a) Loss or damage from water or other materials that back-up or overflow from any sewer or drain, sump, sump pump or related equipment when it is caused by or results from any "flood", regardless of the proximity of the back-up or overflow to the "flood" condition; or
- (b) Failure to keep a sump pump or its related equipment in proper working condition; or
- (c) Failure to perform routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

#### 47. Soft Costs

The following is added to **A. Coverage**, Paragraph **5 Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Soft Costs**

- (1) We will pay the actual "soft cost expenses" that arise out of a delay in the construction, erection or fabrication of a Covered Building that is listed in paragraphs **A.1.a.(5)** of Building and Personal Property Coverage Form CP 00 10 and Section **III.A.3.a.(11)** of this

endorsement resulting from direct physical loss or damage to that Covered Building from a Covered Cause of Loss.

- (2) We will only pay the necessary "soft cost expenses" that are over and above those costs that would have been incurred had there been no delay.
- (3) The most we will pay under this Extension in any one "occurrence" is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

#### 48. Temporary Relocation of Property

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Temporary Relocation of Property**

- (1) We will pay for loss of or damage to Covered Property from a Covered Cause of Loss while it is away from the described premises, if it is being stored temporarily at a location you do not own, lease or operate while the described premises is being renovated or remodeled.
- (2) This coverage applies for 90 days after the property is first moved, but does not extend past the date on which this policy expires.
- (3) The most we will pay under this Additional Coverage is \$100,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) The amount payable under this Additional Coverage is additional insurance.

#### 49. Tenant Glass

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Tenant Glass**

- (1) If glass in a building you occupy, but do not own, is damaged, we will pay for direct physical loss of or damage to glass.
- (2) This insurance includes replacement of lettering, artwork, ornamentation, sensors or other items permanently affixed to, or a part of a building at an

- insured location.
- (3) For coverage to apply, the glass must be in your care, custody or control and repairs must be made at your expense.
  - (4) We will also pay for necessary:
    - (a) Expenses incurred to put up temporary plates or board up openings when repair or replacement of the damaged glass is delayed;
    - (b) Repair or replacement of encasing frames; and
    - (c) Expenses incurred to remove or replace obstructions to repair or replace the damaged glass.

This does not include the cost of removing, replacing or rebuilding window displays.
  - (5) Paragraph **B. Exclusions** of Causes of Loss Special Form CP 10 30 does not apply to this Additional Coverage, except for:
    - (a) Paragraph **B.1.b. Earth Movement**;
    - (b) Paragraph **B.1.c. Governmental Action**;
    - (c) Paragraph **B.1.d. Nuclear Hazard**;
    - (d) Paragraph **B.1.f War & Military Action**; and
    - (e) Paragraph **B.1.g. Water**.
  - (6) We will not pay for loss or damage caused by or resulting from:
    - (a) Wear and tear;
    - (b) Hidden or latent defect;
    - (c) Corrosion; or
    - (d) Rust;

whatever its origin or cause.
  - (7) The most we will pay for loss or damage in an "occurrence" under this Additional Coverage is \$15,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
  - (8) The amount payable under this Additional Coverage is additional insurance.

#### 50. Tenant Relocation

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of

Building and Personal Property Coverage Form CP 00 10:

#### Tenant Relocation

- (1) In the event that your tenants must temporarily vacate the covered Building at the described premises due to untenability caused by direct physical loss or damage by a Covered Cause of Loss, we will pay the following expenses you actually incur to move those tenants out of and back into your covered Building.
- (2) We will only pay for the following expenses:
  - (a) Packing, transporting and unpacking the tenant's Business Personal Property including the cost of insuring the move out and back and any necessary disassembly and reassembly or setup of furniture and equipment; and
  - (b) The net cost to discontinue and re-establish the tenants' utility and telephone services, after any refunds due the tenants.
- (3) We will only pay for these expenses that you actually incur within 60 days of the date that the damaged buildings has been repaired or rebuilt.
- (4) Regardless of the number of tenants' involved, the most we will pay in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

#### 51. Theft Damage to Building

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

#### Theft Damage to Building

- (1) You may extend the insurance that applies to your Business Personal property to apply to direct physical loss or damage to:
  - (a) That part of the non-owned building where you are a tenant; and
  - (b) Non-owned equipment within the building used to maintain or service the building;

Caused by or resulting from "theft" or attempted "theft".

- (2) This Extension applies only to a premise where you are a tenant and to this premises and non-owned equipment only if you have a contractual obligation to insure.
- (3) Payment under this extension is included within the Limit of Insurance applicable to your Business Personal property.
- (4) We will pay nothing if others pay for the repairs or replacement.

## **52. Transit Business Income & Extra Expense**

The following is added to **A. Coverage**, Paragraph **5. Additional Coverages** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581:

### **Transit Business Income & Extra Expense**

- (1) We will pay the actual loss of Business Income you sustain and necessary and reasonable Extra Expense you incur caused by direct physical loss of or direct physical damage to Covered Property while “in transit” caused by or resulting from a Covered Cause of Loss.
- (2) The following Exclusions do not apply to this Additional Coverage:
  - (a) Earth Movement; and
  - (b) Water.
- (3) The most we will pay for loss in any one “occurrence” under this Additional Coverage is \$75,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) The amount payable under this Additional Coverage is additional insurance.

## **53. Undamaged Tenants Improvements and Betterments**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### **Undamaged Tenants Improvements and Betterments**

- (1) You may extend the insurance that applies to your Business Personal Property to apply to your use as a tenant in the undamaged portion of

Improvements and Betterments due to the cancellation of your written lease:

- (a) Made part of the building or structure you occupy but do not own; and
  - (b) You acquired but cannot legally remove.
- (2) The cancellation must result from:
- (a) Direct physical loss or damage to a building at premises described in the Declarations caused by or resulting from any Covered Cause of Loss
- (3) We will determine the proportionate value of Undamaged Tenants Improvements and Betterments as Follows:
- (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
  - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (4) The most we will pay for loss or damage under this Extension in any one “occurrence” is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
  - (5) The amount payable under this Coverage Extension is additional insurance.

## **54. Underground Water Seepage**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### **Underground Water Seepage**

- (1) We will pay for direct physical loss or damage to Covered Property at the described premises, caused by or resulting from water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces; or

(b) Basements, whether paved or not.

- (2) The most we will pay for loss in any one "occurrence" under this Additional Coverage is \$50,000.
- (3) The amount payable under this Additional Coverage is additional insurance.

#### **55. Unintentional Property Reporting Errors**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

#### **Unintentional Property Reporting Errors**

- (1) If "you" unintentionally failed to report or describe a location to "us", coverage provided by this policy will not be invalid. However, "you" must report such errors or omission to "us" in writing as soon as you discover them. "You" also agree to pay the additional premium that would have been earned by "us" if the location was correctly reported to "us".
- (2) This Additional Coverage only applies to direct loss or damaged caused by a Covered Cause of Loss at the omitted location and does not include any coverage for the perils of flood or earthquake even if flood and earthquake coverage is purchased for this or another policy.
- (3) You must provide reasonable documentation and clear and convincing evidence explaining the cause of the oversight.
- (4) For any location you have failed to report to us, this coverage will end when any of the following first occurs:
  - (a) This policy expires; or
  - (b) You report values to us.
- (5) The most we will pay for any loss under this Additional Coverage in any one policy period regardless of the number of occurrences or reporting errors or omissions is \$500,000.
- (6) The amount payable under this Additional Coverage is additional insurance.
- (7) This Additional Coverage does not apply to a loss that is covered under **Newly Acquired or Constructed Property** coverage.

#### **56. Unnamed Locations**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

#### **Unnamed Locations**

- (1) You may extend the insurance that applies to your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to your property or property of others that is in your care, custody or control while it is at other than a described location, but located within the Coverage Territory.
- (2) **Special Unnamed Locations Exclusions**  
This Extension does not apply to:
  - (a) Loss or damage caused directly or indirectly by "Flood" or Earthquake, even when these Causes of Loss are added to this policy by endorsement.
  - (b) Loss or damage covered under the following Additional Coverages or Extensions:
    - (i) Property in Transit
    - (ii) Sales Representatives Samples; or
    - (iii) Property on Exhibition.
  - (c) Any property that is covered under this Coverage Part or policy, or any other policy, whether collectible or not.
- (3) The most we will pay for loss or damage in any one "occurrence" under this Extension of Coverage is \$150,000, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, regardless of the number of unnamed locations.

#### **57. Utility Services**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

#### **Utility Services**

- (1) We will pay for loss of or damage to Covered Property caused by an interruption in service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property



not on the described premises that provides the services shown below in paragraph (3).

The most we will pay for loss in any one "occurrence" under this Additional Coverage is \$100,000 at each described premises or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

- (2) We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur caused by the interruption of service at the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property not on the described premises that provides the services shown below in paragraph (3).

We will only pay for loss you sustain after the first 24 hours following the direct physical loss or damage to the property described above.

The most we will pay for loss in any one "occurrence" under this Additional Coverage is \$100,000 at each described premises or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(3) Services:

- (a) Water Supply Services, meaning the following types of property supplying water to the described premises:
- (i) Pumping stations; and
  - (ii) Water mains.
- (b) Communication Supply Services, meaning the following types of property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
- (i) Communication transmission lines, including optic fiber transmission lines;
  - (ii) Coaxial cables; and
  - (iii) Microwave radio relays except satellites.
- (c) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

- (i) Utility generating plants;
- (ii) Switching stations;
- (iii) Substations;
- (iv) Transformers; and
- (v) Transmission lines.

Services under this Additional Coverage do not include overhead transmission lines that deliver utility services to you. Overhead transmission lines include, but are not limited to:

- (vi) Overhead transmission and distribution lines;
- (vii) Overhead transformers and similar equipment; and
- (viii) Supporting poles and towers.

- (4) As used in this additional coverage, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

- (5) This coverage is not an additional amount of insurance.

- (6) Coverage under this Additional Coverage for loss or damage to Covered Property does not apply to loss or damage to "electronic data", including destruction or corruption of "electronic data".

**(7) Special Utility Services Exclusion**

Coverage under this Additional Coverage does not include loss of "perishable goods" due to "spoilage" that results from:

- (a) Complete or partial lack of electrical power; or
- (b) Fluctuation of electrical current.

**58. Voluntary Parting**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

**Voluntary Parting**

- (1) We will pay for loss or damage to covered property when you or your "employees" are fraudulently induced to part with Covered Property to or by:
- (a) Persons who falsely represent themselves as the proper persons to receive the property; or

(b) Acceptance of fraudulent bills of lading or shipping receipts.

- (2) The most we will pay under this additional coverage is \$50,000 for any one "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

#### **59. Water Damage, Other Liquids, Powder or Molten Material Damage**

**F. Additional Coverage Extensions,** Paragraph 2. of Causes of Loss – Special Form CP 10 30 is replaced by the following:

##### **2. Water Damage, Other Liquids, Powder or Molten Material Damage**

- a. If loss or damage caused by or resulting from covered water damage or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure, or, in the case of underground pipes, lawns, shrubs or paved areas, to repair damage to the system or appliance from which the water or other substance escapes.
- b. Payment under this Additional Coverage is included within the applicable Limit of Insurance. The maximum we will pay for loss or damage to lawns, shrubs or paved areas is \$50,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**THIS IS NOT FLOOD INSURANCE OR PROTECTION FROM AN INUNDATION OF SURFACE WATER, HOWEVER CAUSED.**

#### **60. Windblown Debris**

The following is added to **A. Coverage**, Paragraph 5. **Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Windblown Debris**

- (1) We will pay your reasonable expenses to remove the windblown debris (including trees) from the described premises, if it is carried to the described premises from the premises of others by wind, during the policy period.
- (2) The most we will pay in any one

"occurrence" in total for the removal of all windblown debris under this Extension is \$10,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

#### **61. Worldwide Property Off-Premises**

The following is added to **A. Coverage**, Paragraph 5. **Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Worldwide Property Off-Premises**

- (1) You may extend the insurance that applies to your Business Personal Property and Personal Property of Others to apply to that property while it is temporarily outside the coverage territory if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) Temporarily on display or exhibit at any fair, trade show or exhibition;
  - (c) Samples of your "stock" in trade in the custody of your sales representatives; or
  - (d) While "in transit" between the described premises and a location described in (a), (b) or (c) above.
- (2) The most we will pay for loss or damage under this Extension is \$75,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) This Extension provides an additional amount of insurance.

#### **B. Coverages Included within the Blanket Limit of Insurance**

##### **1. Accounts Receivable**

The following is added to **A. Coverage**, Paragraph 4. **Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Accounts Receivable**

- (1) We will pay for loss or damage caused by or resulting from a Covered Cause of Loss to your records of Accounts Receivable.  
Accounts Receivable means:
  - (a) All amounts due from your customers that you are unable to collect;
  - (b) Interest charges on any loan



required to offset amounts you are unable to collect pending our payment of these amounts;

- (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
  - (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable.
- (2) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

### (3) Special Accounts Receivable Exclusions

We will not pay for loss or damage:

- (a) Caused by alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or "other property".  
This exclusion applies only to the extent of the wrongful giving, taking or withholding
- (b) Caused by bookkeeping, accounting or billing errors or omissions
- (c) That requires any audit of records or any inventory computation to prove its factual existence.

## 2. Deferred Payments

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 0010:

### Deferred Payments

- (1) We will pay for your interest in lost or damaged Personal Property sold by you under a conditional sale or trust agreement or any installment or deferred payment plan after delivery to buyers. The loss or damage must be caused by a Covered Cause of Loss.
- (2) When a total loss to that property occurs, deferred payments are valued on the amount shown on your books as due from the buyer.

When a partial loss to that property occurs and the buyer refuses to continue payment, forcing you to repossess, deferred payments are valued as follows:

- (a) If the realized or appraised value of the repossessed property is greater than or equal to the amount shown on your books as due from the buyer, we will make no payment; but
  - (b) If the realized value of the repossessed property is less than the amount shown on your books as due from the buyer, we will pay the difference.
- (3) When loss occurs and the buyer continues to pay you, there will be no loss payment.
- (4) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

## 3. Fine Arts

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### Fine Arts

- (1) We will pay for direct physical loss to "fine arts" which are your property or the property of others in your care, custody or control while on the described premises. We also cover your "fine arts" while temporarily on display or exhibit away from the described premises or while "in transit" between the described premises and a location where the "fine arts" will be temporarily on display or exhibit.
- (2) The following Exclusions do not apply to this Additional Coverage:
  - (a) Earth Movement; and
  - (b) Water.
- (3) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this

Endorsement.

- (4) The amount payable under this Additional Coverage is additional insurance.

**(5) Special Fine Arts Exclusion**

We will not pay for any loss caused by or resulting from:

- (a) Breakage of statuary, glassware, bric-a-brac, marble, porcelain and similar fragile property. But we will pay if the loss or damage is caused directly by a "specified cause of loss", earthquake or flood; and
- (b) Any repairing, restoration or retouching of the "fine arts".

**4. Fire Department Service Charge**

**A. Coverage, Paragraph 4. Additional Coverages**, subparagraph c. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**c. Fire Department Service Charge**

- (1) When the fire department is called to save or protect Covered Property from a Covered Loss, we will pay your actual expenses for your liability for fire department service charges at each described premises.
- (2) This Additional Coverage applies to your liability for fire department service charges:
  - (a) Assumed by contract or agreement prior to loss; or
  - (b) Required by local ordinance.
- (3) No deductible applies to this Additional Coverage.
- (4) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at each described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (5) Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

**5. Movement of Property**

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Movement of Property**

- (1) You may extend the insurance that applies to Covered Property to apply to direct physical loss or damage from a Covered Cause of Loss to your Business Personal Property from an insured location which has been deleted from this policy if:
  - (a) You moved Covered Property from the deleted location to a new premises; and
  - (b) A Limit of Insurance for the new premises has been added to this policy; and
  - (c) The direct physical loss or damage occurs to Covered Property at the prior insured location before the movement of property to the new premises is completed.
- (2) Insurance under this Coverage Extension will end when any of the following first occurs:
  - (a) The movement of property to the new premises is completed; or
  - (b) 30 days after the effective date of the endorsement adding the new premises.
- (3) Regardless of the number of described premises involved, the most we will pay under this Extension for loss or damage in any one "occurrence" is subject to the Blanket Coverage Limit of Insurance, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**6. Outdoor Property**

**A. Coverage, Paragraph 5. Coverage Extensions**, subparagraph e of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**e. Outdoor Property**

- (1) You may extend insurance provided by this Coverage Form to apply to your radio and television antennas (including satellite dishes), trees, shrubs, plants and lawns which are "stock" or are a part of a vegetated roof, including

debris removal expense, caused by or resulting from any of the following causes of loss:

- (a) Fire;
  - (b) Windstorm;
  - (c) Hail;
  - (d) Lightning;
  - (e) Explosion;
  - (f) Riot or Civil Commotion;
  - (g) Vandalism;
  - (h) Aircraft or Vehicles;
  - (i) Theft; or
  - (j) Falling Objects.
- (2) Coverage under this Extension does not apply to property held for sale by you.
- (3) We will not pay more than \$1,000 for loss or damage to any one tree, shrub or plant under this Extension.
- (4) Regardless of the number of described premises involved, the most we will pay under this Extension for loss or damage in any one "occurrence" is subject to the Blanket Coverage Limit of Insurance, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

## **7. Personal Effects & Property of Others**

**A. Coverage, Paragraph 5. Coverage Extensions, subparagraph b.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

### **b. Personal Effects & Property of Others**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to:
- (a) Personal effects owned by you, your officers, your partners or members, your managers or officers, your directors, your trustees or your employees.
  - (b) Personal property of others in your care, custody or control.
- (2) We will not pay more than \$5,000 in total for loss or damage for any one person, in any one "occurrence". Our payment for

loss or damage to personal property of others will only be for the account of the owner of the property. No deductible applies to this Extension.

- (3) Regardless of the number of persons involved, the most we will pay under this Extension is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

## **8. Research and Development Documentation**

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### **Research and Development Documentation**

- (1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage, resulting from a Covered Cause of Loss, to "research and development documentation" that you own or that is in your care, custody or control at a described premises.
- (2) Paragraph **B. Exclusions** of Causes of Loss – Special Form CP 10 30 do not apply to this Coverage Extension, except for:
- (a) Paragraph **B.1.c. Governmental Action**;
  - (b) Paragraph **B.1.d. Nuclear Hazard**;
  - (c) Paragraph **B.1.f. War and Military Action**;
  - (d) Paragraph **B.2.h. Dishonesty**;
  - (e) Paragraph **B.2.i. False Pretense**; and
  - (f) Paragraph **B.3.**
- (3) This Coverage Extension does not apply to loss or damage caused by or resulting from:
- (a) Electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:
    - (i) Programming errors or faulty machine instructions; or
    - (ii) Faulty installation or

maintenance of data processing equipment or component parts.

- (b) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the direct loss or damage caused by the fire or explosion;
  - (c) Erasure of "research and development documentation"; or
  - (d) Unauthorized instructions to transfer property to any person or place.
- (4) Coverage provided by this Extension does not apply to "research and development documentation" which exist as "electronic data".
- (5) We will not pay for loss or damage to "research and development documentation" until you actually replicate such documentation. Repairs or replication must be made as soon as reasonably possible after the loss or damage, but in no event later than two years after the loss or damage unless we grant an extension in writing prior to the expiration of the two-year period.
- (6) We will not pay for loss or damage to "research and development documentation" applicable to:
- (a) Products that are obsolete;
  - (b) Existing products you have withdrawn from the market; or
  - (c) Existing products you have not sold in the last twelve months prior to the loss.
- (7) Regardless of the number of insured locations involved, the most we will pay under this Extension for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- 9. Valuable Papers and Records (Other Than Electronic Data)**
- A. Coverage, Paragraph 5. Coverage Extensions,** subparagraph **c.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**c. Valuable Papers and Records (Other Than Electronic Data)**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by a Covered Cause of Loss. This Extension includes the cost to research, replace or restore the lost information that previously existed on "valuable papers and records" for which duplicates do not exist.
- (2) The following Exclusions do not apply to this Coverage Extension:
  - (a) Earth Movement; and
  - (b) Water.
- (3) The most we will pay under this Extension for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**IV. VALUATION**

**A. E. Loss Conditions, Paragraph 7. Valuation,** subparagraph **b.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

- b.** If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering;
- (3) Outdoor equipment or furniture; or
- (4) Retaining walls.

**B.** The following is added to **E. Loss Conditions,**

Paragraph 7. **Valuation** of Building and Personal Property Coverage Form CP 00 10:

- f. "Valuable papers and records" at the cost of restoration or replacement, including the cost of data entry, re-programming, computer consultation services and the media on which the data or programs reside. To the extent that the contents of the "valuable papers and records" are not replaced or restored, the "valuable papers and records" will be valued at the cost of blank materials for reproducing the records and the labor to transcribe or copy the records when there is a duplicate.
- g. "Money" at its face value.
- h. "Securities" at their value at the close of business on the day the loss is discovered.
- i. Accounts Receivable:
  - (1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
    - (a) We will determine the total of the average monthly amounts of accounts receivable for the 12 months preceding the month in which loss or damage occurs; and
    - (b) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
  - (2) The following will be deducted from the total amount of accounts receivable, however that amount is established:
    - (a) The amount of the accounts for which there is no loss or damage;
    - (b) The amount of the accounts that you are able to re-establish or collect; an amount to allow for probable bad debts that you are normally unable to collect;
    - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
    - (d) All unearned interest and service charges.
- j. Property "in transit" (other than "stock" you have sold) at the amount of invoice, including your prepaid or advanced freight charges and other charges which may

have accrued or become legally due since the shipment. If you have no invoice, actual cash value will apply.

- k. "Hardware":
  - (1) "Hardware" that is replaced will be at the cost of replacing the "hardware" with new equipment that is functionally comparable to the "hardware" that is being replaced.
  - (2) "Hardware" that is not replaced will be at actual cash value at the time of loss.
  - (3) In no event will we pay more than the reasonable cost of restoring partially damaged "hardware" to its condition directly prior to the damage.
- l. "Software":
  - (1) "Programs and applications" will be at the cost to reinstall the "programs and applications" from the licensed discs that were originally used to install the programs or applications.  
If the original licensed discs are lost, damaged, or can no longer be obtained, the value of "programs and applications" will be based on the cost of the most current version of the "programs or applications".
  - (2) "Proprietary programs" will be at the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies.  
If duplicate copies do not exist, the value of "proprietary programs" will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost "proprietary programs".
  - (3) "Electronic data" will be at the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies.  
If duplicate copies do not exist, the value of "electronic data" will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost files, documents and records.
  - (4) "Media" will be at the cost to repair or replace the "media" with material of the same kind or quality.



**m. "Fine Arts"**

We will pay the lesser of:

- (1) The market value at the time of loss or damage;
- (2) The reasonable cost of repair or restoration to the condition immediately before the covered loss or damage; or
- (3) The cost of replacement with substantially identical property.

For pairs or sets, we will either:

- (a) Repair or replace any part to restore the value and condition of the pair or set to that immediately before the covered loss or damage; or
- (b) Pay the difference between the value of the pair or set before and after the covered loss or damage.

**n. Property of Others** – our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

**o.** We may elect to defend you against suits arising from claims of owners or property. We will do this at our expense.

**p.** Labor, materials and services that you furnish or arrange on personal property of others are valued based on the actual cost of the labor, materials and services.

**q.** Finished "stock" you manufactured at the selling price less discounts and expenses you otherwise would have had.

**r. "Prototypes"**

We will not pay more than the lesser of the following amounts:

- (1) The replacement cost of such property used for the same product, but only if replacement cost is shown as applicable to Personal Property in the Declarations.

However, when replacement with identical property is impossible or unnecessary, the amount of loss will be based on the cost to replace with similar property used to perform the same functions. Property of others will be valued in the same manner, but we

will not pay more than the amount for which you are legally liable; or

- (2) The amount you actually spend to repair or replace lost or damaged "prototypes" used for the same purpose.

**s. "Research and development documentation":**

We will not pay more than the least of the following amounts:

- (1) Your cost actually spent to reproduce lost or damaged "research and development documentation" from back-up files or original source documents;
- (2) The reasonable cost necessary to research, repair, restore, recreate, reconstitute, reproduce or replace "research and development documentation", used for the same product, to their condition immediately before the loss or damage;
- (3) If identical "research and development documentation" cannot be purchased, the cost to purchase such documentation of comparable kind, functionality and quality; or
- (4) The amount you actually spend to research, repair, restore, recreate, reconstitute, reproduce or replace "research and development documentation", used for the same product.

But we will not pay more than the cost to restore "research and development documentation" to its condition immediately prior to the loss.

## **V. DEFINITIONS**

The following is added to Paragraph **H.** of Building and Personal Property Coverage Form CP 00 10:

### **H. Definitions**

1. "Antiques" means an object having value because its:
  - a. Craftsmanship is in the style or fashion of former times; and
  - b. Age is 100 years or older.
2. "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
3. "Communicable disease" means a bacterial micro-organism transmitted through human contact with food.



4. "Computer equipment" means:
  - a. "Hardware" owned by you or in your care, custody or control;
  - b. "Software"; or
  - c. "Protection and control equipment".
5. "Computer hacking" means an unauthorized intrusion by an individual or group of individuals, whether employed by you or not, into "hardware" or "software", a Web site, or a computer network and that results in but is not limited to:
  - a. Deletion, destruction, generation, or modification of "software";
  - b. Alteration, contamination, corruption, degradation, or destruction of the integrity, quality or performance of "software";
  - c. Observation, scanning, or copying of "electronic data", "programs and applications", and "proprietary programs";
  - d. Damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media" used with "hardware"; or
  - e. Denial of access to or denial of services from "hardware", "software", computer network, or Web site including related "software".
6. "Computer Virus" means the introduction into "hardware", "software", computer network, or Web site of any malicious, self-replicating electronic data processing code or other code and that is intended to result in, but is not limited to:
  - a. Deletion, destruction, generation, or modification of "software";
  - b. Alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of "software";
  - c. Damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media" used with "hardware"; or
  - d. Denial of access to or denial of services from "hardware", "software", computer network, or Web site including related "software".
7. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.
8. "Denial of service attack" means the malicious direction or a high volume of worthless inquiries to Website or e-mail destinations, effectively denying or limiting legitimate access regardless of whether or not damage to "computer equipment" results.
9. "Dependent property" means property operated by others whom you depend on to:
  - a. Deliver materials or services to you, or to others for your account. But any property which delivers any of the following services is not a dependent property with respect to such services:
    - (1) Water supply services;
    - (2) Power supply services; or
    - (3) Communication supply services, including services relating to Internet access or access to any electronic network;
  - b. Accept your products or services;
  - c. Manufacture products for delivery to your customers under contract of sale; or
  - d. Attract customers to your business.
10. "Dependent property period of restoration" means the period of time that:
  - a. Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the "dependent property"; and
  - b. Ends on the date when the property at the premises of the "dependent property" should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Dependent property period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

  - c. Regulates the construction, use or repair, or requires the tearing down, of any property; or
  - d. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "dependent property period of restoration".
11. "Discover" or "Discovered" means:

- a. The time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this policy has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details may not be known.
  - b. "Discover" or "Discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this policy.
12. "Electrical disturbance" means electrical or magnetic damage, disturbance of electronic recordings, or erasure of electronic recordings.
13. "Electronic data" means files, documents, information and "programs and applications" in an electronic format and that are stored on "media".
14. "Electronic vandalism" means "computer hacking", "computer virus" or a "denial of service attack". "Electronic vandalism" does not include the theft of any property or services.
15. "Employee" means:
- a. Any natural person:
    - (1) While in your service and for the first 30 days immediately after termination of service;
    - (2) Who you compensate directly by salary, wages or commissions; and
    - (3) Who you have the right to direct and control while performing services for you;
  - b. Any natural person who is furnished temporarily to you:
    - (1) To substitute for a permanent "employee" as defined in paragraph a.(1), who is on leave; or
    - (2) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the premises;
  - c. Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary "employee" as defined in paragraph a.(2);
  - d. Any natural person who is:
    - (1) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; and
    - (2) A director or trustee of yours while that person is engaged in handling "funds" or "other property" of any "employee benefit plan";
  - e. Any natural person who is a former "employee", partner, "manager", director or trustee retained as a consultant while performing services for you;
  - f. Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody or property outside the described premises;
  - g. Any "employee" of an entity merged or consolidated with you prior to the effective date of this policy; or
  - h. Any of your "managers", directors or trustees while:
    - (1) Performing acts within the scope of the usual duties of an "employee"; or
    - (2) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.

"Employee" does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph 15. of this section.
16. "Employee benefit plan" means any welfare or pension benefit plan shown that you sponsor and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.

17. "Fine arts" means paintings, etchings, pictures, tapestries, rare art glass, art glass windows, valuable rugs, statuary, sculptures, "antique" jewelry, bric-a-brac, porcelains and similar property of rarity, historical value or artistic merit.
18. "Flood" means a general and temporary condition of partial or complete inundation of normally dry land areas due to:
  - a. The overflow of inland or tidal waters;
  - b. The unusual or rapid accumulation of runoff of surface waters from any source; or
  - c. Mudslides or mudflows which are caused by flooding as defined in b. above. For the purpose of this Covered Cause of Loss, a mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.
19. "Food contamination" means an incidence of food poisoning to one or more of your customers as a result of:
  - a. Tainted food you purchased;
  - b. Food which has been improperly stored, handled or prepared; or
  - c. A "communicable disease" transmitted through one or more of your "employees".
20. "Fraudulent instruction" means:
  - a. An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
  - b. A written instruction issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
  - c. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an employee but which was in fact fraudulently transmitted by someone else without your or the employee's knowledge or consent
21. "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
22. "Funds" means "money" and "securities".
23. "Hardware" means a network of electronic machine components (microprocessors) capable of accepting instructions and information, processing the information according to the instructions, and producing desired results. "Hardware" includes but is not limited to:
  - a. Mainframe and mid-range computers and servers;
  - b. Personal computers and workstations;
  - c. Laptops, palmtops, notebook PCs, other portable computer devices and accessories including, but not limited to, multimedia projectors; and
  - d. Peripheral data processing equipment, including but not limited to, printers, keyboards, monitors, and modems.
24. "Installation, tools and equipment property" means:
  - a. Materials, supplies, machinery, fixtures and equipment that will become a permanent part of your installation while:
    - (1) Located at the site of installation;
    - (2) "In transit" by you to or from the described premises and the job site; or
    - (3) While in temporary storage awaiting installation.
  - b. Commercial tools and equipment usual to your business and used in your installation which are:
    - (1) Your property; or
    - (2) The property of others in your care, custody or control.

Commercial tools and equipment does not include:

    - (3) Aircraft or watercraft;
    - (4) Any property while waterborne, airborne or underground;
    - (5) Property you have loaned, rented or leased to others;
    - (6) Property that is permanently mounted to a vehicle; or
    - (7) Property held for sale.

25. "In transit" means in the course of shipment from or to the premises shown in the Declarations. It includes such shipments while temporarily stopped or delayed, incidental to the delivery.
26. "Manager" means a person serving in a directorial capacity for a limited liability company.
27. "Member" means an owner of a limited liability company represented by its membership interest who, if a natural person, may also serve as a "manager".
28. "Mechanical breakdown" means the malfunction or failure of moving or electronic parts, component failure, faulty installation, or blowout.
29. "Media" means an instrument that is used with "hardware" and on which "electronic data", "programs and applications", and "proprietary programs" can be recorded or stored. "Media" includes, but is not limited to, films, tapes, cards, discs, drums, cartridges, cells, DVDs, or CD-ROMs.
30. "Money" means:
- Currency, coins and bank notes in current use and having a face value; and
  - Travelers checks, register checks and money orders held for sale to the public.
31. "Occurrence" means all loss or damage that is attributable to:
- An act, event, cause or series of similar, related acts, events or causes involving one or more persons; or
  - An act, event, cause or series of similar, related acts, events or causes not involving any person.
32. "Operations" means your business activities occurring at the described premises.
33. "Other property" means tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, electronic data or any property specifically excluded under this policy.
34. "Perishable goods" means personal property:
- Maintained under controlled temperature or humidity conditions for preservation; and
  - Susceptible to loss or damage if the controlled temperature or humidity conditions change.
35. "Power supply disturbance" means interruption of power supply, power surge, blackout, or brownout.
36. "Programs and applications" means operating programs and applications that you purchase and that are:
- Stored on "media"; or
  - Pre-installed and stored in "hardware".
- Applications includes, but is not limited to, programs for word processing, spreadsheet calculations, and graphic design.
37. "Proprietary programs" means proprietary operating programs and applications that you developed or that you had developed specifically for use in your "operations" and that are:
- Stored on "media"; or
  - Installed and stored in "hardware".
38. "Protection and control equipment" means:
- Air conditioning equipment used exclusively in the operation of the "hardware";
  - Fire protection equipment used for the protection of the "hardware", including automatic and manual fire suppression equipment and smoke and heat detectors; and
  - Uninterruptible power supply system, line conditioner, and voltage regulator.
39. "Prototype" means an original version of a newly designed product that is an outcome of your "research and development operations". A "prototype" includes sample designs, experimental models or displays that are associated with or integral to the manufacture of the original version of a newly designed product.
40. "Rental value" means Business Income that consists of:
- Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
  - Continuing normal operating expenses incurred in connection with that

premises, including:

(1) Payroll; and

(2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

41. "Research and development documentation" means written evidence of facts, information, processes, concepts or formulas that are directly related to the development of new products or enhancement of existing products. Written evidence includes written papers, plans, manuscripts, written or inscribed documents or plans.

"Research and development documentation" does not include "valuable papers and records", accounts receivable or "media", "software" or "data".

42. "Research and development operations" means your business activities that are directly related to the development of new products or the enhancement of existing products.

43. "Scientific and professional equipment" means medical, engineering, veterinary, measurement, recording, analyzing or similar equipment.

44. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you.

but does not include "money".

45. "Soft cost expenses" means additional:

- a. Realty taxes and other assessments that you incur for the period of time that construction has been extended beyond the projected completion date;
- b. Interest on money borrowed to finance construction, remodeling, renovation or repair; and
- c. Advertising, public relations and

promotional expenses.

46. "Software" means:

- a. "Media";
- b. "Electronic data";
- c. "Programs and applications"; and
- d. "Proprietary programs".

47. "Spoilage" means any detrimental change in physical state of "perishable goods". Detrimental change includes, but is not limited to, thawing of frozen goods, warming of refrigerated goods, solidification of liquid or molten material, chemical reactions to material in process, and reduction in value of time sensitive materials.

48. "Theft" means the unlawful taking of property to the deprivation of the insured.

49. "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and "securities":

- a. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
- b. By means of written instructions establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

50. "Valuable papers and records" means:

- a. Inscribed, printed or written:
  - (1) Documents;
  - (2) Manuscripts; and
  - (3) Records including abstracts, books, deeds, drawings, films, maps or mortgages; and
- b. Similar items stored electronically.

But, "valuable papers and records" does not mean "money" or "securities".

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## MANUFACTURING PROPERTY BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS- SPECIAL FORM

This endorsement applies only to those locations for which a corresponding premium has been paid.

The following is added to **C. Limits of Insurance** of Building and Personal Property Coverage Form CP 00 10:

The limits applicable to the Coverages included in this endorsement may either be in addition to or included within the applicable Limits of Insurance. For application of the limits, refer to each coverage within this endorsement.

Refer to **SECTION V – DEFINITIONS** of this endorsement for additional words or phrases which appear in quotation marks that have special meaning.

### I. COVERAGES

#### A. Personal Property of Others Included

**A. Coverage**, Paragraph **1. Covered Property**, subparagraph **c. Personal Property of Others** of Building and Personal Property Coverage Form CP 00 10, is deleted and included as **A. Coverage**, Paragraph **1. Covered Property**, subparagraph **c.(8)**.

#### B. Scheduled Coverages

The coverages in this endorsement amend the coverage provided under the Building and Personal Property Coverage Form and Causes of Loss – Special Form through new coverages and substitute coverage grants. These coverages are subject to the provisions applicable to this policy, except where amended within this endorsement. If any of the property covered by this endorsement is also covered under any other provisions of the policy of which this endorsement is made a part, or if more than one coverage under this endorsement applies, in the event of loss or damage, you may choose only one of these coverages to apply to that loss. The most we will pay in this case is the limit of insurance applying to the coverage you select. Coverages included in this endorsement apply either separately to each described premises or on an "occurrence" basis. Refer to each coverage within this endorsement for application of coverage.

	Limit of Insurance	Amended Limits of Insurance	Page
1. Additional Covered Property	Included	N/A	2
2. Contract Cancellation	\$100,000	\$	2
3. Extended Warranty Coverage	\$75,000	\$	2
4. Molds, Dies, Patterns and Plates	Included	N/A	2
5. Processing Water	\$50,000	\$	3
6. Product Adulteration and Contamination	\$50,000	\$	3
7. Research and Development Expenses	\$250,000	\$	4
8. Research and Development – Extra Expense	\$250,000	\$	4
9. Spoilage			4
On Premises	\$100,000	N/A	
In Transit	\$10,000	N/A	

### II. DEDUCTIBLE

We will not pay for covered loss or damage in any one "occurrence" unless the amount of loss or damage exceeds the deductible amount shown in the Declarations of this Policy. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance for all coverages listed under **SECTION I – COVERAGES**. No deductible applies to coverages where specifically designated.



### III. COVERED PROPERTY

#### A. Scheduled Coverages

##### 1. Additional Covered Property

**C. Limitations**, Paragraph **3.** of Causes of Loss – Special Form CP 10 30 is replaced by the following:

The special limits Section **3.** under **C. Limitations** of the CP 10 30 is deleted and replaced by the following:

The special limit shown for category, **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one “occurrence” of “theft”, regardless of the types or number of articles that are lost or damaged in that “occurrence”. The special limits are:

- d.** \$50,000 for patterns, dies, molds and forms owned by others. This special limit does not apply to those patterns, dies, molds and forms owned by you or for which you are responsible under written contract existing before loss.

##### 2. Contract Cancellation

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Contract Cancellation**

- (1)** We will pay for the loss of business income you sustain during the first 12 months after the period of Restoration due to the cancellation of a contract by your customers but only if the reason for the cancellation is caused by or resulting from direct physical loss or damage to the premises by a Covered Cause of Loss during the policy period.
- (2)** We will not pay for:
  - (a)** A contract cancelled after the period of restoration;
  - (b)** A contract cancelled, suspended or allowed to lapse by you;
  - (c)** Any other consequential loss.
- (3)** The most we will pay in any one occurrence for all contracts cancelled is the lesser of:
  - (a)** The anticipated amount of income you would have received from the customer under the cancelled contract for 12 months immediately following the period of restoration in accordance with

the terms and conditions of the contract; or

- (b)** \$100,000.

- (c)** The Limit of Insurance shown in the Amended Limits Section of this Endorsement.

- (4)** All payments cease upon the date the current contract would have expired, regardless of any options for renewal, if the loss or damage had not taken place.
- (5)** The expiration of this policy will not shorten the duration of this coverage if the loss occurred during the policy period.
- (6)** The number of your customers canceling a contract due to a loss at a scheduled location will not increase the limit of insurance provided by this additional coverage.
- 7)** This is an additional amount of insurance.

##### 3. Extended Warranty Coverage

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Extended Warranty Coverage**

- (1)** If a covered cause of loss results in a direct total physical loss to property covered under this policy, at a premises shown in the Declarations, we will pay the un-used pro-rata portion of the non-refundable purchase price for extended warranties or service contracts which you purchased on such damaged property.
- (2)** The most we will pay for loss or damage in any one “occurrence” under this Additional Coverage is \$75,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

##### 4. Molds, Dies, Patterns and Plates

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Molds, Dies, Patterns and Plates**

- (1)** You may extend the insurance that applies to Your Business Personal Property to apply to damage caused directly by accidental marring or

scratching of:

- (a) Your molds, dies, patterns or plates while at the described premises;
  - (b) Your molds, dies, patterns or plates while at the premises of another who uses them to provide products or services to you;
  - (c) Molds, dies, patterns or plates of others while in your care, custody or control; or
  - (d) Your molds, dies, patterns or plates, or the molds, dies, patterns or plates of others if in your care custody or control, during transit.
- (2) Payment under this Coverage Extension is included with Your Business Personal Property Limit of Insurance.

#### 5. Processing Water

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Processing Water

- (1) We will pay the cost that you incur to replace water that is used in your processing operations and contained in:
- (a) An above ground tank;
  - (b) Processing equipment; or
  - (c) Above ground piping associated with items (a) or (b) above
- when such water has been released or rendered unusable for its intended purpose as a result of a direct physical loss or damage to such tank, processing equipment or piping caused by a Covered Cause of Loss at a designated premises.
- (2) The most we will pay for any loss or damage under this Additional Coverage is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) The amount payable under this Additional Coverage is additional insurance.

##### (4) Special Processing Water Exclusion

We will not pay for loss involving any fire protection equipment.

#### 6. Product Adulteration and

#### Contamination

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form, CP 00 10:

##### Product Adulteration and Contamination

- (1) We will pay for direct physical loss or damage to "stock" at a described premises caused by adulteration or contamination provided such adulteration or contamination caused by or resulting from:
- (a) Accidental introduction of a foreign substance, agent or organism to the "stock", including any nesting or infestation; and
  - (b) Occurs during the processing or manufacture of the "stock" at a described premises; and
  - (c) Causes the "stock" to become diminished in value or use, including but not limited to diminished value or use due to change in color, finish, flavor, size or texture.
- (2) **Special Product Adulteration and Contamination Exclusion**
- We will not pay for loss or damage caused by or resulting from:
- (a) Rejection or disposal of "stock" because of quality control standards or local Board of Health requirements unless the reason the "stock" is rejected or disposed is because it was adulterated or contaminated as provided in 6.1 above; or
  - (b) Improper or faulty workmanship, design, specifications of materials; or
  - (c) Improper or faulty monitoring or testing for contaminants; or
  - (d) Improper blending of ingredients or use of contaminated ingredients; or
  - (e) Contamination by refrigerant or mechanical breakdown of any temperature or humidity control apparatus;
  - (f) The closure or quarantine of your business, by local Board of Health or similar authorities due to sickness among your employees,

unless the sickness causes the direct contamination or adulteration of "stock".

- (3) The most we will pay for loss or damage in any one "occurrence" under this Additional Coverage is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) We will not pay for costs and expenses involved in testing "stock" for adulteration or contamination.

## 7. Research and Development Expenses

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### Research and Development Expenses

- (1) If your "research and development operations" are suspended due to direct physical loss or damage, caused by a Covered Cause of Loss, to property directly related to your "research and development operations" and the loss is not covered under any other provisions of this policy, you may extend the insurance that applies to Business Income to cover ordinary payroll and loss of continuing fixed charges directly attributable to your development activities.
- (2) Research and development expenses are included in the limit of insurance for Business Income.
- (3) The most we will pay for loss or damage in any one "occurrence" under this Additional Coverage is \$250,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) This coverage is included in and not in addition to the applicable limit of insurance.

## 8. Research and Development – Extra Expense

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### Research and Development – Extra Expense

- (1) We will pay the actual and necessary "Extra Expense" that you would not

have incurred if your "research and development operations" had not been suspended due to direct physical loss or damage, caused by a Covered Cause of Loss, to property directly related to your "research and development operations".

- (2) Under this Additional Coverage, the definition of "Extra Expense" is replaced with the following:

"Extra Expense" means necessary expenses you incur during the "research and development period of restoration" that you would not have incurred if there had been no direct physical loss or damage, caused by or resulting from a Covered Cause of Loss, to property directly involved in your "research and development operations":

- (a) To avoid or minimize the "suspension" of, and to continue your "research and development operations"; or
- (b) To minimize the "suspension" of your "research and development operations" if you cannot continue them.
- (3) The most we will pay for loss or damage in any one "occurrence" under this Additional Coverage is \$250,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

## 9. Spoilage

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### Spoilage

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage to your "perishable goods" at the described premises; or in a vehicle owned, leased or operated by you while in transit caused by or resulting from either of the following causes of loss:
  - (a) Breakdown or Contamination, meaning:
    - (i) On premises change in temperature or humidity resulting from mechanical breakdown or mechanical

failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; or

(ii) Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is in a vehicle owned, leased or operated by you while in "transit"; and

(iii) Contamination by the refrigerant.

(b) Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

(2) Coverage under this Extension does not apply to property located on buildings or in the open.

(3) The most we will pay for on premises loss or damage under this Extension in any one "occurrence" is \$100,000.

(4) The most we will pay for loss or damage to your perishable goods while "in Transit" under this Extension is \$10,000 in any one "occurrence."

**(5) Special Spoilage Exclusions**

We will not pay for loss or damage caused by or resulting from:

(a) The disconnection of any refrigerating, cooling or humidity control system from the source of power;

(b) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;

(c) The inability of an Electrical Utility Company or other power source to provide sufficient power due to:

(i) Lack of fuel; or

(ii) Governmental order.

(d) The inability of a power source at the described premises to provide

sufficient power due to lack of generating capacity to meet demand; or

(e) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit; or

(f) The failure to maintain adequate fuel levels for the refrigeration, cooling or humidity control apparatus or equipment in a vehicle; or

(g) Your or a service representatives failure to inspect a vehicles' refrigeration, cooling or humidity control apparatus or equipment at least quarterly; or

(6) Coverage Under this Extension will not apply unless:

(a) A record of each inspection of refrigeration, cooling or humidity control apparatus or equipment in a vehicle is retained and maintained for at least 24 consecutive months prior to the date of loss; and

(b) You provide us with all records.

**IV. BROADENED VALUATION CLAUSE**

**A. E. Loss Conditions, Paragraph 7. Valuation,** subparagraph a. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

a. At replacement cost without deduction for depreciation, except as provided otherwise in this Property Coverage Part.

(1) You may claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the date loss or damage.

(2) We will not pay on a replacement cost basis for any loss or damage:

(a) Until the lost or damaged property is actually repaired or replaced; and

(b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

(3) We will not pay more for loss or

damage on a replacement cost basis than the least of:

- (a) The Limit of Insurance applicable to the lost or damaged property;
- (b) The cost to replace, at the same location, the lost or damaged property with other property:
  - (i) Of comparable material and quality; and
  - (ii) Used for the same purpose; or
- (c) The amount you actually spend that is necessary to repair or replace the lost or damaged property – even if, when replacement is necessary, you choose to make use of other than new property to effect such replacement.

**B. E. Loss Conditions, Paragraph 7. Valuation,** subparagraph e. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**e. Tenant's Improvements and Betterments at:**

- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
- (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
  - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
  - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- (c) When a written lease does not exist, instead of the method of calculating loss shown in **e.(2)(a)** and **(b)** above, we will determine the proportionate value of the improvements and betterments as follows:
  - (i) Multiply the original cost by 365 days; and
  - (ii) Divide the amount determined in **(a)** above by the number of days from the installation of improvements to 365 days

after the date of the "occurrence".

- (3) If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in the procedure described in **(2)** above.

- (4) Nothing, if others pay for repairs or replacement.

**C. The following is added to E. Loss Conditions, Paragraph 7. Valuation of Building and Personal Property Coverage Form CP 00 10:**

- t. The following property at actual cash value:**
  - (1) Used or second hand merchandise held in storage or for sale;
  - (2) Household contents, except personal property in apartments or rooms furnished by you as landlord;
  - (3) Manuscripts;
  - (4) Works of art, "antiques" or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; and
  - (5) Contractors equipment and tools
- u. Lottery tickets at their initial cost to you except for winning tickets, at their redeemed present cash value.**
- v. Data, media and computer "software" programs. For media, at the actual costs of repairing or replacing the media with material of like kind and quality. Data and computer "software" programs at the actual cost of reproducing the data or computer "software" program, providing you actually reproduce or replace it.**
- w. Prepackaged "software" programs and electronic data processing equipment that cannot be replaced, at the cost of functionally equivalent "software" or "hardware".**
- x. "Business income", "extra expense" and "resumption of operations":**
  - (1) The amount of "business income" loss will be determined based on:
    - (a) The Net Income of the business before the direct physical loss or damage occurred;
    - (b) The likely Net Income of the business if no loss or damage had occurred but not including any Net Income that would likely have been earned as a result of an



increase in the volume of business conditions due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;

- (c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
  - (d) Other relevant sources of information, including:
    - (i) Your financial records and accounting procedures;
    - (ii) Bills, invoices and other vouchers; and
    - (iii) Deeds, liens or contracts.
- (2) The amount of "extra expense" will be determined based on:
- (a) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
    - (i) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
    - (ii) Any "extra expense" that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
  - (b) All necessary expenses that reduce the "business income" loss that otherwise would have been incurred.
- (3) Resumption of Operations
- We will reduce the amount of your:
- (a) "Business income" loss, other than "extra expense", to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or "stock")

at an insured location or elsewhere.

- (b) "Extra expense" loss to the extent you can return "operations" to normal and discontinue such "extra expense".

If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

## V. DEFINITIONS

The following is added to Paragraph H. of Building and Personal Property Coverage Form CP 00 10:

### H. Definitions

1. "Business income" means:
    - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred; and
    - b. Continuing normal operating expenses incurred, including payroll.
    - c. For manufacturing risks, Net Income includes the net sales value of production.
  2. "Extra Expense" means the necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property:
    - a. To avoid or minimize the "suspension" of business and to continue "operations":
      - (1) At an insured location; or
      - (2) At replacement premises or at temporary locations, including relocation expenses and costs to equip and operate the replacement or temporary locations;
    - b. To minimize the suspension of business if you cannot continue "operations"; or
    - c. To:
      - (1) Repair or replace any property; or
      - (2) Research, replace or restore the lost information on damaged "valuable papers and records",
- to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.



With regard to **c.(1)** above, we will pay only for those expenses necessary to expedite the repair or replacement of the property. Under this provision, we will not pay for any portion of the ordinary and expected cost to actually repair or replace property.

**3.** "Suspension" means:

- a.** The slowdown or cessation of your business activities; or
- b.** That a part or all of an insured location is rendered un-tenantable, if coverage for "Business Income" including "Rental Value" or "Rental Value" applies.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ILLINOIS CHANGES – DATA BREACH COVERAGE FORM

This endorsement modifies insurance provided under the following:

### DATA BREACH COVERAGE FORM

**A. SECTION E – CONDITIONS, 11. Cancellation and Non-Renewal** is replaced by the following:

**11. Cancellation and Non-Renewal:**

- a. If we decide to cancel this Coverage Part in the first 60 days, we will mail:

- (1) 10 days' written notice of cancellation for nonpayment of premium; or
- (2) 30 days' written notice of cancellation for any other reason.

If this Coverage Part has been in effect for 60 days or more or is a renewal of a Coverage Part we issued, then we will mail:

- (3) 10 days' written notice of cancellation for nonpayment of premium; or
- (4) 60 days' written notice of cancellation for one or more of the following reasons:
  - (a) The Coverage Part was obtained through a material representation;
  - (b) Any insured violated any of the terms and conditions of the policy;
  - (c) The risk originally accepted has measurably increased;
  - (d) Certification is provided to the Director of Insurance in Illinois of the loss of reinsurance by us which provided coverage to us for a substantial part of the underlying risk insured; or
  - (e) A determination is made by the Director of Insurance in Illinois that the continuation of the policy could place us in violation of the insurance laws of Illinois.

Cancellation notices will state the reason for cancellation and will be mailed to you and the agent or broker of record at the last addresses known to us. We will maintain proof of mailing on a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office or other commercial mail delivery service.

- b. If we decide not to renew this Coverage Part, we will mail or deliver written notice not less than 60 days before the expiration date to the named insured shown in the Declarations and to the agent or broker of record at the last addresses known to us. Notice will provide an explanation of the reason for nonrenewal. We will maintain proof of mailing on a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office or other commercial mail delivery service.

**B. SECTION E – CONDITIONS, 2. Concealment, Misrepresentation Or Fraud** is replaced by the following:

**2. Concealment, Misrepresentation Or Fraud**

- a. This Coverage Part or Coverage Form is void if you or any "insured" commit fraud or conceal or misrepresent a fact in the process leading to the issuance of this insurance, and such fraud, concealment or misrepresentation is stated in the policy or endorsement or in the written application for this policy and:

- (1) Was made with actual intent to deceive; or
- (2) Materially affected either our decision to provide this insurance or the hazard we assumed.

However, this condition will not serve as a reason to void this Coverage Form after the Coverage Form has been in effect for one year or one policy term, whichever is less.

- b. We do not provide coverage under this Coverage Part or Coverage Form if you or any other "insured" who at any time subsequent to the issuance of this insurance, commit fraud or intentionally conceal or misrepresent a material fact relating to:

- (1) This Coverage Part or Coverage Form;
- (2) The Covered Property

- (3) Your interest in the Covered Property;  
or
- (4) A claim under this Coverage Part or Coverage Form.

- c. Notwithstanding the limitations stated in 2.a. above, we may cancel the Coverage Form in accordance with the terms of the Cancellation Condition.

**C. SECTION E – CONDITIONS, 18. Appraisal** is replaced by the following:

**18. Appraisal**

If we and you disagree on the amount of net income, operating expense or loss either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of the net income, operating expense and loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will not be binding.

Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

However, we will pay your appraiser's fee and the umpire's appraisal fee, if the following conditions exist:

- c. You demanded the appraisal; and
- d. The amount of net income, operating expense and loss, as set by your appraiser, is agreed to by our appraiser or by the umpire.

If there is an appraisal, we will still retain our right to deny the claim; and you will retain your right to file suit against us.

**D. SECTION E – CONDITIONS, 5. Legal Action Against Us** is replaced by the following:

**5. Legal Action Against Us**

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date we first deny the claim in whole or in part.

**E. The following is added to SECTION F – DEFINITIONS, 10. Defense Expenses:**

"Defense Expenses" do not include our routine ongoing expenses or overhead such as salaries of our staff or our staff attorneys.

**F. SECTION E – CONDITIONS 8. Other Insurance,** paragraph b. is replaced by the following:

- b. If there is other insurance covering the same "data breach", other than that described in a. above, we will share proportionately with such other coverage in the benefits or amounts due for Data Breach Services, Data Breach Expense Coverages, and Additional Expense Coverages. We will not pay more than the applicable Limit of Insurance shown in the **SCHEDULE**.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EQUIPMENT BREAKDOWN COVERAGE (INCLUDING ELECTRONIC CIRCUITRY IMPAIRMENT)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 CAUSES OF LOSS – BASIC FORM  
 CAUSES OF LOSS – BROAD FORM  
 CAUSES OF LOSS – SPECIAL FORM

### A. COVERAGE

The following is added as an Additional Coverage to the Causes of Loss – Basic Form, Broad Form and Special Form:

#### Additional Coverage – Equipment Breakdown

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below. Without an “accident” or “electronic circuitry impairment”, there is no Equipment Breakdown Coverage.

1. We will pay for direct physical damage to Covered Property that is the direct result of an “accident” or “electronic circuitry impairment”. We will consider “electronic circuitry impairment” to be physical damage to “covered equipment”.
2. Unless otherwise shown in the “schedule”, the following coverages also apply to the direct result of an “accident” or “electronic circuitry impairment”. However, with respect to coverage **2.i. Service Interruption** below and any Dependent Properties coverage provided by this coverage part, coverage will apply only to the direct result of an “accident” and will not apply to the direct result of “electronic circuitry impairment”. These coverages do not provide additional amounts of insurance.

#### a. Business Income and Extra Expense

- (1) Any insurance provided under the coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a deductible is shown in the “schedule”, then with respect to this endorsement only, the “period of restoration” will begin immediately after the “accident” or “electronic circuitry impairment”, and

the deductible shown in the “schedule” will apply.

- (2) The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in the “schedule”.

#### b. Data Restoration

- (1) We will pay for your reasonable and necessary cost to research, replace and restore lost “data”.
- (2) The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$100,000 unless otherwise shown in the “schedule”.

#### c. Expediting Expenses

- (1) With respect to your damaged Covered Property, we will pay the reasonable extra cost to:
  - (a) Make temporary repairs; and
  - (b) Expedite permanent repairs or permanent replacement.
- (2) The most we will pay for loss or expense under this coverage is \$100,000 unless otherwise shown in the “schedule”.

#### d. Fungus, Wet Rot, Dry Rot and Bacteria

- (1) We will pay your additional cost to repair or replace Covered Property because of contamination by “fungus”, wet rot, dry rot or bacteria. This includes the additional costs to clean up or dispose of such property. This does not include spoilage of personal property that is “perishable goods” to

the extent that such spoilage is covered under Spoilage coverage.

- (2) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "fungus", wet rot, dry rot or bacteria been involved.
- (3) We will also pay the cost of testing performed after repair or replacement of the damaged Covered Property is completed only to the extent that there is reason to believe there is the presence of "fungus", wet rot, dry rot or bacteria.
- (4) This coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.
- (5) The most we will pay in any "one equipment breakdown" for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$15,000 even if the "fungus", wet rot, dry rot or bacteria continues to be present or active or recurs in a later policy period.

**e. Hazardous Substances**

- (1) We will pay your additional cost to repair or replace Covered Property because of contamination by a "hazardous substance". This includes the additional expenses to clean up or dispose of such property.
- (2) This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in **2.j.(1)(b)** below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.
- (3) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$100,000 unless otherwise shown in the "schedule".

**f. Off Premises Equipment Breakdown**

- (1) We will pay for physical damage to transportable "covered equipment" that, at the time of the "accident" or "electronic circuitry impairment", is not at a covered location. As respects this Off Premises Equipment Breakdown coverage only, the "accident" or "electronic circuitry impairment" may occur in any country except one in which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.
- (2) We will also pay for your reasonable and necessary cost to research, replace and restore lost "data" contained within "covered equipment" as described under **f.(1)** above. This amount may not exceed the limit applicable to Data Restoration coverage.
- (3) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, and Data Restoration as described in **f.(2)** above is the limit for Property Off Premises Coverage Extension shown in your policy.

**g. Public Relations**

- (1) This coverage only applies if you have sustained an actual loss of Business Income covered under this endorsement.
- (2) We will pay for your reasonable costs for professional services to create and disseminate communications, when the need for such communications arises directly from the interruption of your business. This communication must be directed to one or more of the following:
  - (a) The media;
  - (b) The public; or
  - (c) Your customers, clients or members.
- (3) Such costs must be incurred during the "period of restoration" or up to 30 days after the "period of restoration" has ended.
- (4) The most we will pay for loss or expense under this coverage is \$5,000.

**h. Scientific Animals**

We will pay for loss or damage to "scientific animals" resulting from an "accident" to "covered equipment" when the Life Science Property Broadening Endorsement is included in the policy. The most we will pay for loss, damage or expense under this coverage is the lesser of the limit shown in the Life Science Property Broadening Endorsement or \$100,000, unless otherwise shown in the "schedule".

**i. Service Interruption**

- (1) Any insurance provided for Business Income, Extra Expense, Data Restoration or Spoilage is extended to apply to your loss, damage or expense caused by a failure or disruption of service. The failure or disruption of service must be caused by an "accident" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, "cloud computing services", wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.
- (2) "Cloud computing services" must be provided by a professional provider with whom you have a contract.
- (3) With respect to the Data Restoration portion of this Service Interruption coverage, coverage will also apply to "data" stored in the equipment of a provider of "cloud computing services".
- (4) Unless otherwise shown in the "schedule", Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the "accident". If the interruption exceeds 24 hours, coverage will begin at the time of the disruption, and the applicable deductible will apply.
- (5) The most we will pay in any "one equipment breakdown" for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense,

Data Restoration or Spoilage, except that if a limit is shown in the "schedule" for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

**j. Spoilage**

**(1) We will pay for:**

- (a) Physical damage to "perishable goods" due to spoilage;
- (b) Physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia;
- (c) Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

(2) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "accident" or "electronic circuitry impairment", less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

(3) The most we will pay for loss, damage or expense under this coverage is \$100,000 unless otherwise shown in the "schedule".

**B. EXCLUSIONS**

All exclusions in the applicable Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this endorsement.

**1. The following exclusions are modified:**

- a. If the Causes of Loss – Basic Form or Causes of Loss – Broad Form apply, the following is added to **Exclusion B.2.:**

Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. However, if an "accident" or "electronic circuitry impairment" results, we will pay for the resulting loss, damage or expense caused by that "accident" or "electronic circuitry impairment".



- b. If the Causes of Loss – Special Form applies, with respect to this endorsement only, the last paragraph of **Exclusion B.2.d.** is replaced by the following:
- But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in an “accident” or “electronic circuitry impairment”, we will pay for the loss, damage or expense caused by that “accident” or “electronic circuitry impairment”.
2. The following exclusions are added to the Building and Personal Property Coverage Form, the Condominium Association Coverage Form, the Condominium Commercial Unit-Owners Coverage Form, the Causes Of Loss – Basic Form, the Causes Of Loss – Broad Form, and the Causes Of Loss – Special Form:
- a. We will not pay for loss, damage or expense caused directly or indirectly by any of the following, whether or not caused by or resulting from an “accident” or “electronic circuitry impairment”:
    - (1) Fire, including smoke from a fire;
    - (2) Explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from that furnace to the atmosphere;
    - (3) Any other explosion, except as specifically covered under this endorsement;
    - (4) Any earth movement, including but not limited to earthquake, subsidence, sinkhole collapse, landslide, earth sinking, tsunami or volcanic action;
    - (5) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; mudslide or mudflow; or water that backs up or overflows from a sewer, drain or sump. However, if electrical “covered equipment” requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies; or
    - (6) Vandalism.
  - b. Coverage under this endorsement does not apply to an “accident” or “electronic circuitry impairment” caused by or resulting from:
    - (1) Lightning;
    - (2) Windstorm or hail. However this exclusion does not apply when:
      - (a) “Covered equipment” located within a building or structure suffers an “accident” or “electronic circuitry impairment” that results from wind-blown rain, snow, sand or dust; and
      - (b) The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow or dust entered.
    - (3) Smoke; aircraft or vehicles; riot or civil commotion; sprinkler leakage; elevator collision;
    - (4) Breakage of glass; falling objects; weight of snow, ice or sleet; freezing (caused by cold weather); collapse or molten material;
    - (5) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or
    - (6) Water or other means used to extinguish a fire.
  - c. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your customer or supplier.
  - d. Except as specifically provided under **A.2.d. Fungus, Wet Rot, Dry Rot and Bacteria** coverage we will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an “accident” or “electronic circuitry impairment”: Any “fungus”, wet rot, dry rot or bacteria, including any presence, growth, proliferation, spread or any activity of “fungus”, wet rot, dry rot or bacteria. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such “fungus”, wet rot, dry rot or bacteria. However, this exclusion does not apply to spoilage of personal property that is “perishable goods”, to the extent that such spoilage is covered under Spoilage coverage.
  - e. Except as specifically provided under **A.2.h. Scientific Animals** coverage, we

will not pay for any loss or damage to animals.

**3. Exclusions 2.b.(1), 2.b.(2), 2.b.(3), and 2.b.(4)** above shall not apply if:

- a. The excluded cause of loss occurs away from any covered location and causes an electrical surge or other electrical disturbance;
- b. Such surge or disturbance is transmitted through utility service transmission lines to the covered location and results in an "accident" or "electronic circuitry impairment"; and
- c. The loss, damage or expense caused by such surge or disturbance is not covered elsewhere under the policy.

**4. Any cause of loss set forth in Exclusion 2.b.(4) above that is not a Covered Cause of Loss in this coverage part shall be excluded only as respects Service Interruption coverage.**

**C. DEFINITIONS**

For the purpose of this endorsement only, the following definitions are added:

**1. "Accident"**

- a. "Accident" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:

- (1) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- (2) Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- (3) Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
- (4) Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- (5) Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

- b. None of the following is an "accident":

- (1) Defect, programming error, programming limitation, computer virus, malicious code, loss of "data",

loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind; or

- (2) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident".

**2. "Boilers and vessels" means:**

- a. Any boiler, including attached steam, condensate and feedwater piping; and
- b. Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in the "schedule".

- 3. "Cloud computing services" means** professional, on-demand, self-service data storage or data processing services provided through the internet or over telecommunications lines. This includes services known as IaaS (infrastructure as a service), PaaS (platform as a service), SaaS (software as a service) and NaaS (network as a service). This includes business models known as public clouds, community clouds and hybrid clouds. "Cloud computing services" include private clouds if such services are owned and operated by a third party.

**4. "Covered equipment"**

- a. "Covered equipment" means, unless otherwise specified in the "schedule", Covered Property:

- (1) That generates, transmits or utilizes energy; or
- (2) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

"Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.

- b. None of the following is "covered equipment":

- (1) Structure, foundation, cabinet or compartment;
- (2) Insulating or refractory material;

- (3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
        - (4) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
        - (5) "Vehicle" or any equipment mounted on a "vehicle";
        - (6) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
        - (7) Dragline, excavation or construction equipment; or
        - (8) Equipment manufactured by you for sale.
  5. "Data" means information or instructions stored in digital code capable of being processed by machinery.
  6. "Electronic circuitry" means microelectronic components, including but not limited to circuit boards, integrated circuits, computer chips and disk drives.
  7. "Electronic circuitry impairment"
    - a. "Electronic circuitry impairment" means a fortuitous event involving "electronic circuitry" within "covered equipment" that causes the "covered equipment" to suddenly lose its ability to function as it had been functioning immediately before such event. This definition is subject to the conditions specified in **b.**, **c.** and **d.** below.
    - b. We shall determine that the reasonable and appropriate remedy to restore such "covered equipment's" ability to function is the replacement of one or more "electronic circuitry" components of the "covered equipment".
    - c. The "covered equipment" must be owned or leased by you, or operated under your control.
    - d. None of the following is "electronic circuitry impairment":
      - (1) Any condition that can be reasonably remedied by:
        - (a) Normal maintenance, including but not limited to replacing expendable parts, recharging batteries or cleaning;
        - (b) Rebooting, reloading or updating software or firmware; or
        - (c) Providing necessary power or supply.
      - (2) Any condition caused by or related to:
        - (a) Incompatibility of the "covered equipment" with any software or equipment installed, introduced or networked within the prior 30 days;
        - (b) Insufficient size, capability or capacity of the "covered equipment"; or
        - (c) Exposure to adverse environmental conditions, including but not limited to change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty shall not be considered an observable loss of functionality.
  8. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
  9. "Media" means material on which "data" is recorded, such as solid state drives, hard disks, optical disks, flash drives, magnetic tapes or floppy disks.
  10. "One equipment breakdown" means: If an initial "accident" or "electronic circuitry impairment" causes other "accidents" or "electronic circuitry impairments", all will be considered "one equipment breakdown". All "accidents" or "electronic circuitry impairments" that are the result of the same "accident" or "electronic circuitry impairment" will be considered "one equipment breakdown".
  11. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
  12. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus. However, "production machinery" does not mean any boiler, or fired or unfired pressure vessel.

This term does not appear elsewhere in this endorsement, but may appear in the "schedule".
  13. "Schedule" means the Equipment Breakdown Coverage Schedule.

14. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to: car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle".

#### D. DEDUCTIBLE

The Building and Personal Property Coverage Form is modified as follows:

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in the "schedule". If a separate Equipment Breakdown deductible is shown, the following applies.

Only in regards to Equipment Breakdown Coverage, provision **D. DEDUCTIBLE** in the Building and Personal Property Coverage Form, the Condominium Association Coverage Form, the Condominium Commercial Unit-Owners Coverage Form, the Causes Of Loss – Basic Form, the Causes Of Loss – Broad Form, and the Causes Of Loss – Special Form: is replaced by the following:

##### 1. Deductibles for Each Coverage

- a. Unless the "schedule" indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one equipment breakdown".
- b. We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the "schedule". We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- c. If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one equipment breakdown", only the highest deductible for each coverage will apply.

##### 2. Direct and Indirect Coverages

- a. Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the "schedule".
- b. Unless more specifically indicated in the "schedule":

- (1) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
- (2) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

#### 3. Application of Deductibles

##### a. Dollar Deductibles

We will not pay for loss, damage or expense resulting from any "one equipment breakdown" until the amount of loss, damage or expense exceeds the applicable deductible shown in the "schedule". We will then pay the amount of loss, damage or expense in excess of the applicable deductible or deductibles, up to the applicable Limit of Insurance.

##### b. Time Deductible

If a time deductible is shown in the "schedule", we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident" or "electronic circuitry impairment". If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

##### c. Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" or "electronic circuitry impairment" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or "electronic circuitry impairment" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration". The number indicated in the "schedule" will be multiplied by the ADV as



determined above. The result shall be used as the applicable deductible.

**d. Percentage of Loss Deductibles**

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

**E. CONDITIONS**

1. The following conditions are added to the Conditions in the Building and Personal Property Coverage Form, the Condominium Association Coverage Form, the Condominium Commercial Unit-Owners Coverage Form, the Commercial Property Conditions and the Common Policy Conditions:

**a. Suspension**

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" or "electronic circuitry impairment" to that "covered equipment". This can be done by mailing or delivering a written notice of suspension to:

- (1) Your last known address; or
- (2) The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment". If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

**b. Jurisdictional Inspections**

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

**c. Coinsurance**

If a coinsurance percentage is shown in the "schedule" for specified coverages, the following condition applies.

We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.

2. For the purpose of this endorsement only, **E. Loss Conditions, 7. Valuation** in the Building and Personal Property Coverage Form is replaced by the following:

**7. Valuation**

We will determine the value of Covered Property as follows:

- a. Except as specified otherwise, our payment for damaged Covered Property will be the smallest of:

- (1) The cost to repair the damaged property;
- (2) The cost to replace the damaged property on the same site; or
- (3) The amount you actually spend that is necessary to repair or replace the damaged property.

- b. Except as described in **c.** below, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.

**c. Environmental, Safety and Efficiency Improvements**

If "covered equipment" requires replacement due to an "accident" or "electronic circuitry impairment", we will pay your additional cost to replace with equipment that is better for the environment, safer for people or more energy or water efficient than the equipment being replaced. However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with

like kind and quality. This provision does not apply to the replacement of component parts or to any property to which Actual Cash Value applies and does not increase any of the applicable limits.

d. The following property will be valued on an Actual Cash Value basis:

- (1) Any property that does not currently serve a useful or necessary function for you;
- (2) Any Covered Property that you do not repair or replace within 24 months after the date of the "accident" or "electronic circuitry impairment"; and
- (3) Any Covered Property for which Actual Cash Value coverage is specified in a "schedule", Actual Cash Value includes deductions for depreciation.

e. If any one of the following conditions is met, property held for sale by you will be valued at the sales price as if no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:

- (1) The property was manufactured by you;

(2) The sales price of the property is less than the replacement cost of the property; or

(3) You are unable to replace the property before its anticipated sale.

f. Except as specifically provided for under Data Restoration coverage, "data" and "media" will be valued on the following basis:

- (1) For mass-produced and commercially available software, at the replacement cost.
- (2) For all other "data" and "media", at the cost of blank "media" for reproducing the records. We will not pay for "data" representing financial records based on the face value of such records.

The most we will pay for loss, damage or expense under this endorsement arising from any "one equipment breakdown" is the applicable Limit of Insurance in the Declarations unless otherwise shown in the "schedule". Coverage provided under this endorsement does not provide an additional amount of insurance.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



## COMMERCIAL PROPERTY COVERAGE PART EQUIPMENT BREAKDOWN COVERAGE SCHEDULE

*Equipment Breakdown is subject to the Limits of Insurance shown in the Declarations except as specifically shown below.*

*These coverages apply to all locations covered on the policy, unless otherwise specified.*

Coverages	Limits
Equipment Breakdown Limit	\$2014000
Business Income	\$Included
Extra Expense	\$Included
Data Restoration	\$100,000
Expediting Expenses	\$100,000
Hazardous Substances	\$100,000
Scientific Animals	\$0
Service Interruption	\$Included in BI, EE and/or Spoilage Limit
Spoilage	\$100,000

	Deductibles
Combined, All Coverages	\$0
Direct Coverages	\$2,500
Indirect Coverages	\$0 or 72 hours or times ADV
Spoilage	\$2,500 or % of loss, \$ minimum

### Other Conditions

Period of Loss Extension: Follows Property
Demolition and ICC: Property Amount or \$2,500,000, Whichever is Less
We will not pay for any loss under Service Interruption coverage unless the interruption exceeds: 24 Hours

# IMPORTANT NOTICE TO POLICYHOLDERS

## EQUIPMENT BREAKDOWN COVERAGE REVISION

### SUMMARY OF ENDORSEMENT CHANGES

THIS NOTICE CONTAINS IMPORTANT SUMMARY INFORMATION ABOUT A CHANGE IN COVERAGE. PLEASE READ IT CAREFULLY.

THIS NOTICE DOES NOT PROVIDE ANY COVERAGE AND DOES NOT REPLACE ANY PROVISIONS IN YOUR POLICY. READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

IF YOU HAVE ANY QUESTIONS REGARDING THIS NOTICE, PLEASE CONTACT YOUR INSURANCE AGENT.

The Hanover Insurance Group, in an effort to further address the needs of our policyholders, has modified the **EQUIPMENT BREAKDOWN COVERAGE** endorsement. The new endorsement, **EQUIPMENT BREAKDOWN COVERAGE (INCLUDING ELECTRONIC CIRCUITRY IMPAIRMENT)**, is designed to provide an enhanced and streamlined product.

Your expiring **EQUIPMENT BREAKDOWN COVERAGE** endorsement has been **replaced** in its entirety with the new **EQUIPMENT BREAKDOWN COVERAGE (INCLUDING ELECTRONIC CIRCUITRY IMPAIRMENT)** endorsement.

The following is a summary of major changes which will apply to your policy at renewal. This notice does **not** reference every change made in your policy. If you have any questions or concerns, please contact your agent.

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#### 451-0038 11 16 EQUIPMENT BREAKDOWN COVERAGE (INCLUDING ELECTRONIC CIRCUITRY IMPAIRMENT)

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#### Changes That May Broaden Coverage:

##### A. COVERAGE

- There are 3 new coverages: **2.f. Off Premises Equipment Breakdown**; **2.g. Public Relations**; and **2.h. Scientific Animals**.
- In paragraph **2.d.** by replacing the coverage for **Mold** with a new coverage called **Fungus, Wet Rot, Dry Rot and Bacteria**. "Fungus" is a defined term, which includes mold. As the new coverage name indicates, coverage in the new edition includes wet rot, dry rot and bacteria.
- In paragraph **2.i.** by adding "Data Restoration"; by adding "a failure or disruption of service. The failure or disruption of service must be caused by"; by adding "including overhead transmission lines"; by adding "a landlord's utility"; by deleting "with whom you have a contract to supply"; by adding "who provides"; by adding "cloud computing services"; by adding "Cloud computing services' must be provided by a professional provider with whom you have a contract"; by adding "With respect to the Data Restoration portion of this Service Interruption coverage, coverage will also apply to 'data' stored in the equipment of a provider of 'cloud computing services'"; by adding "If the interruption exceeds 24 hours, coverage will begin at the time of the disruption, and the applicable deductible will apply"; by adding "in any 'one equipment breakdown'"; and by adding "Data Restoration".
- In paragraph **2.j.** by adding "or 'electronic circuitry impairment'".

#### Other Changes:

##### A. COVERAGE

- In the preamble by adding "Without an 'accident' or 'electronic circuitry impairment', there is no Equipment Breakdown Coverage"; and by introducing "electronic circuitry impairment" as a new defined term.

- In paragraph 1. preamble by deleting the words “As used in this Additional Coverage, ‘accident’ means a fortuitous event that causes direct”; adding “or ‘electronic circuitry impairment’”. We will consider ‘electronic circuitry impairment’ to be”; and deleting “The event must be one of the following.”.
- In the 11 04 edition, paragraphs 1.a. – 1.e. have been deleted.
- In paragraph 2. preamble by putting “schedule” in quotes making it a defined term. “Schedule” is in quotes throughout the new endorsement. The use of quotes for “schedule” will not be called out again hereafter; and by adding “or ‘electronic circuitry impairment’”. However, with respect to coverage 2.i. Service Interruption below and any Dependent Properties coverage provided by this coverage part, coverage will apply only to the direct result of an ‘accident’ and will not apply to the direct result of ‘electronic circuitry impairment’”.
- In paragraph 2. the order of the coverages has changed in some cases. This notice will follow the order of coverages identified in the new edition.
- In paragraph 2.a. by deleting “The most we will pay for loss of Business Income you sustain or necessary Extra Expense you incur is the limit shown in the Declarations for that coverage, unless otherwise shown in a Schedule”; by adding “However, if a deductible is shown in the ‘schedule’, then with respect to this endorsement only, the ‘period of restoration’ will begin immediately after the ‘accident’ or ‘electronic circuitry impairment’, and the deductible shown in the ‘schedule’ will apply”; and by adding “The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in the ‘schedule’”.
- In paragraph 2.c. by adding “damaged”.

#### **B. EXCLUSIONS**

- The exclusion section has been rewritten in its entirety. All major changes are identified below.
- In 1.a. by adding “or ‘electronic circuitry impairment’”; and by adding “caused by that ‘accident’ or ‘electronic circuitry impairment’”.
- In 1.b. by adding “‘electronic circuitry impairment’” in the preamble.
- In 2.b.(3) by adding “elevator collision”.
- In 2.b.(4) by adding “Breakage of glass”; and adding “(caused by cold weather)”.
- In 2.b.(6) by adding “Water or other means used to extinguish a fire”.
- In 2.d. by adding “‘electronic circuitry impairment’”.
- In 2.e. by adding “Except as specifically provided under A.2.h. **Scientific Animals** coverage”.
- By adding paragraphs 3. and 4.

#### **C. DEFINITIONS**

- The following are new Definitions: “Cloud computing services”; “Electronic circuitry”; “Electronic circuitry impairment”; “One equipment breakdown” (replaces “one accident”); and “Schedule”.
- In paragraph 1. by putting the meaning of “accident” in the Definitions section. In the 11 04 edition the meaning of “accident” was partly at the beginning of the endorsement and partly in the Exclusions section.

#### **D. DEDUCTIBLE**

- In the preamble by deleting “The definitions stated above apply to Section B. of this endorsement”.
- In paragraph 3.b. by adding “or ‘electronic circuitry impairment’”.
- In paragraph 3.c. by adding “or ‘electronic circuitry impairment’”.

#### **E. CONDITIONS**

- In paragraph 1. preamble by adding “the Condominium Association Coverage Form, the Condominium Commercial Unit-Owners Coverage Form, the Commercial Property Conditions”.
- In paragraph 1.a. by adding “or ‘electronic circuitry impairment’”.
- By adding paragraph 2.

**COMMERCIAL PROPERTY**  
**CP 00 10 10 12**

## **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **H. Definitions**.

### **A. Coverage**

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

#### **1. Covered Property**

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.** Property Not Covered, if a Limit Of Insurance is shown in the Declarations for that type of property.

**a. Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire-extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;
  - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

#### **b. Your Business Personal Property**

consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

#### **c. Personal Property Of Others** that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

## 2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, **n.**, does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

  - (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;

- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
  - (c) Rowboats or canoes out of water at the described premises; or
  - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or
- q. The following property while outside of buildings:
- (1) Grain, hay, straw or other crops;
  - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

### 3. Covered Causes Of Loss

See applicable Causes Of Loss form as shown in the Declarations.

### 4. Additional Coverages

#### a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
  - (2) Debris Removal does not apply to costs to:
    - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
    - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
    - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
  - (d) Remove property of others of a type that would not be Covered Property under this Coverage Form;
  - (e) Remove deposits of mud or earth from the grounds of the described premises;
  - (f) Extract "pollutants" from land or water; or
  - (g) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
- (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
  - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
- (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
  - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.



Therefore, if **(4)(a)** and/or **(4)(b)** applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

## **(5) Examples**

The following examples assume that there is no Coinsurance penalty.

### **Example 1**

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 – \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph **(3)**.

### **Example 2**

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense:	\$ 40,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

The basic amount payable for debris removal expense under the terms of Paragraph **(3)** is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000, capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph **(4)**, because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph **(4)**. Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

## **b. Preservation Of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1)** While it is being moved or while temporarily stored at another location; and
- (2)** Only if the loss or damage occurs within 30 days after the property is first moved.

## **c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

- (1)** Assumed by contract or agreement prior to loss; or
- (2)** Required by local ordinance.

No Deductible applies to this Additional Coverage.

**d. Pollutant Clean-up And Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

**e. Increased Cost Of Construction**

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in **e.(3)** through **e.(9)** of this Additional Coverage.
- (3) The ordinance or law referred to in **e.(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
  - (a) You were required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.

- (5) Under this Additional Coverage, we will not pay for:

- (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:

- (a) We will not pay for the Increased Cost of Construction:
  - (i) Until the property is actually repaired or replaced at the same or another premises; and
  - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

**f. Electronic Data**

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.

- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:

- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
- (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
- (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

## 5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

### a. Newly Acquired Or Constructed Property

#### (1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

## (2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
  - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
  - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

## (3) Period Of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

**b. Personal Effects And Property Of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers And Records (Other Than Electronic Data)**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

**d. Property Off-premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
  - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
  - (a) In or on a vehicle; or
  - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.



Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

**f. Non-owned Detached Trailers**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
  - (a) The trailer is used in your business;
  - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
  - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
  - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
  - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

**g. Business Personal Property Temporarily In Portable Storage Units**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the building or structure described in the Declarations or within 100 feet of the premises described in the Declarations, whichever distance is greater.

- (2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.
- (3) Coverage under this Extension:
  - (a) Will end 90 days after the business personal property has been placed in the storage unit;
  - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.
- (4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

**B. Exclusions And Limitations**

See applicable Causes Of Loss form as shown in the Declarations.

**C. Limits Of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.



The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

#### D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

#### Example 1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building 1:	\$ 60,000
Limit of Insurance – Building 2:	\$ 80,000
Loss to Building 1:	\$ 60,100
Loss to Building 2:	\$ 90,000

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building 1:

\$ 60,100
– 250
<hr/>
\$ 59,850 Loss Payable – Building 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

$$\$59,850 + \$80,000 = \$139,850$$

#### Example 2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example 1.

Loss to Building 1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building 2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

#### E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

##### 1. Abandonment

There can be no abandonment of any property to us.

##### 2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

##### 3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
  - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
  - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
  - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
  - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
  - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

#### 4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
  - (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.

- h.** A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

## 5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

## 6. Vacancy

### a. Description Of Terms

- (1)** As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:
- (a)** When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

- (b)** When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- (i)** Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
- (ii)** Used by the building owner to conduct customary operations.

- (2)** Buildings under construction or renovation are not considered vacant.

### b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1)** We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:
- (a)** Vandalism;
- (b)** Sprinkler leakage, unless you have protected the system against freezing;
- (c)** Building glass breakage;
- (d)** Water damage;
- (e)** Theft; or
- (f)** Attempted theft.
- (2)** With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

## 7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a.** At actual cash value as of the time of loss or damage, except as provided in **b.**, **c.**, **d.** and **e.** below.
- b.** If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value, even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
  - (1) Actual cash value of the lost or damaged property if you make repairs promptly.
  - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (3) Nothing if others pay for repairs or replacement.

## F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

### 1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

### Example 1 (Underinsurance)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 100,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$100,000 \div \$200,000 = .50$

Step (3):  $\$40,000 \times .50 = \$20,000$

Step (4):  $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

### Example 2 (Adequate Insurance)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 200,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$250,000 \times 80\%$ ). Therefore, the Limit of Insurance in this example is adequate, and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

### Example 3

When:	The value of the property is:	
	Building at Location 1:	\$ 75,000
	Building at Location 2:	\$ 100,000
	Personal Property at Location 2:	<u>\$ 75,000</u>
		\$ 250,000
	The Coinsurance percentage for it is:	90%
	The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is:	\$ 180,000
	The Deductible is:	\$ 1,000
	The amount of loss is:	
	Building at Location 2:	\$ 30,000
	Personal Property at Location 2:	<u>\$ 20,000</u>
		\$ 50,000

Step (1):  $\$250,000 \times 90\% = \$225,000$   
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):  $\$180,000 \div \$225,000 = .80$

Step (3):  $\$50,000 \times .80 = \$40,000$

Step (4):  $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

## 2. Mortgageholders

- The term mortgageholder includes trustee.
- We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

## G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

### 1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.



- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
  - (1) On or after the effective date of this Optional Coverage; and
  - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

## 2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
  - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
  - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
  - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

### Example

If: The applicable Limit of Insurance is: \$ 100,000  
 The annual percentage increase is: 8%  
 The number of days since the beginning of the policy year (or last policy change) is: 146  
 The amount of increase is:  
 $\$100,000 \times .08 \times 146 \div 365 =$  \$ 3,200

## 3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
  - (1) Personal property of others;
  - (2) Contents of a residence;
  - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or

- (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
  - (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
  - (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The cost to replace the lost or damaged property with other property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose; or
  - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.



- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

#### **4. Extension Of Replacement Cost To Personal Property Of Others**

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

#### **H. Definitions**

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

COMMERCIAL PROPERTY  
CP 00 30 10 12

## BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

### A. Coverage

#### 1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit Of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit Of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises means:

- (a) The portion of the building which you rent, lease or occupy;
- (b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

#### 2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

### 3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

### 4. Additional Limitation – Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- d. This Additional Limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

## 5. Additional Coverages

### a. Civil Authority

In this Additional Coverage, Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
  - (2) When your Civil Authority Coverage for Business Income ends;
- whichever is later.

**b. Alterations And New Buildings**

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
  - (a) Used in the construction, alterations or additions; or
  - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

**c. Extended Business Income**

**(1) Business Income Other Than "Rental Value"**

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
  - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 60 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**(2) "Rental Value"**

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
  - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 60 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**d. Interruption Of Computer Operations**

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.

- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss. However, we will not provide coverage under this Additional Coverage when the Additional Limitation – Interruption Of Computer Operations does not apply based on Paragraph A.4.d. therein.
  - (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
    - (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
    - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, includes Collapse as set forth in that form.
    - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Interruption Of Computer Operations.
    - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
  - (4) The most we will pay under this Additional Coverage, Interruption Of Computer Operations, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
  - (5) This Additional Coverage, Interruption Of Computer Operations, does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.
- 6. Coverage Extension**
- If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:
- Newly Acquired Locations**
- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
  - b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location, unless a higher limit is shown in the Declarations.
  - c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
    - (1) This policy expires;



(2) 30 days expire after you acquire or begin to construct the property; or

(3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

## B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

1. Alterations And New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage.

## C. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

### 1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

## 2. Duties In The Event Of Loss

a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
  
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (7) Cooperate with us in the investigation or settlement of the claim.
- (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.



### 3. Loss Determination

- a. The amount of Business Income loss will be determined based on:
  - (1) The Net Income of the business before the direct physical loss or damage occurred;
  - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
  - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
  - (4) Other relevant sources of information, including:
    - (a) Your financial records and accounting procedures;
    - (b) Bills, invoices and other vouchers; and
    - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
  - (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
    - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
    - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
  - (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

### c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
  - (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

### 4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

### D. Additional Condition

#### COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

1. The Coinsurance percentage shown for Business Income in the Declarations; times
2. The sum of:
  - a. The Net Income (Net Profit or Loss before income taxes), and
  - b. Operating expenses, including payroll expenses,
 that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

- Step (1):** Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- Step (2):** Divide the Limit of Insurance for the described premises by the figure determined in **Step (1)**; and
- Step (3):** Multiply the total amount of loss by the figure determined in **Step (2)**.

We will pay the amount determined in **Step (3)** or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight – outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form **CP 15 11** is attached);
- (11) All payroll expenses or the amount of payroll expense excluded (if Form **CP 15 10** is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

### Example 1 (Underinsurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$ 150,000

The amount of loss is: \$ 80,000

**Step (1):**  $\$400,000 \times 50\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

**Step (2):**  $\$150,000 \div \$200,000 = .75$

**Step (3):**  $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

### Example 2 (Adequate Insurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$ 200,000

The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$400,000 \times 50\%$ ). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

### E. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

#### 1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

- (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
- (2) The Limit Of Insurance shown in the Declarations.

## 2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
  - (1) The Limit of Insurance, multiplied by
  - (2) The fraction shown in the Declarations for this Optional Coverage.

### Example

When: The Limit of Insurance is:	\$ 120,000
The fraction shown in the Declarations for this Optional Coverage is:	1/4
The most we will pay for loss in each period of 30 consecutive days is:	\$ 30,000
(\$120,000 x 1/4 = \$30,000)	
If, in this example, the actual amount of loss is:	
Days 1–30:	\$ 40,000
Days 31–60:	\$ 20,000
Days 61–90:	\$ 30,000
	<hr/>
	\$ 90,000
We will pay:	
Days 1–30:	\$ 30,000
Days 31–60:	\$ 20,000
Days 61–90:	\$ 30,000
	<hr/>
	\$ 80,000

The remaining \$10,000 is not covered.

## 3. Business Income Agreed Value

- a. To activate this Optional Coverage:
  - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
    - (a) During the 12 months prior to the date of the Work Sheet; and

(b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

(2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:

- (a) The Coinsurance percentage shown in the Declarations; multiplied by
- (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.

b. The Additional Condition, Coinsurance, is suspended until:

- (1) 12 months after the effective date of this Optional Coverage; or
- (2) The expiration date of this policy; whichever occurs first.

c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:

- (1) Within 12 months of the effective date of this Optional Coverage; or
- (2) When you request a change in your Business Income Limit of Insurance.

d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

- (1) The Business Income Limit of Insurance; divided by
- (2) The Agreed Value.

### Example

When: The Limit of Insurance is:	\$ 100,000
The Agreed Value is:	\$ 200,000
The amount of loss is:	\$ 80,000

Step (1):  $\$100,000 \div \$200,000 = .50$

Step (2):  $.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

## 4. Extended Period Of Indemnity

Under Paragraph A.5.c., **Extended Business Income**, the number 60 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

## F. Definitions

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:
  - a. Your business activities occurring at the described premises; and
  - b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
3. "Period of restoration" means the period of time that:
  - a. Begins:
    - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
    - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
 

caused by or resulting from any Covered Cause of Loss at the described premises; and
  - b. Ends on the earlier of:
    - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

  - (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or

- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Rental Value" means Business Income that consists of:
  - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
  - b. Continuing normal operating expenses incurred in connection with that premises, including:
    - (1) Payroll; and
    - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. "Suspension" means:
  - a. The slowdown or cessation of your business activities; or
  - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

COMMERCIAL PROPERTY

# COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

## A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

## B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

## C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

## D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

## E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

## F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

## G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

## H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

**I. TRANSFER OF RIGHTS OF RECOVERY  
AGAINST OTHERS TO US**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.



COMMERCIAL PROPERTY  
CP 01 40 07 06

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY**

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.  
However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
  - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
  - 2.** Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

COMMERCIAL PROPERTY  
CP 01 49 06 07

## ILLINOIS CHANGES – ARTIFICIALLY GENERATED ELECTRICAL CURRENT EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

**A.** The exclusion set forth in:

1. Paragraph **B.2.a.** of the Standard Property Policy, the Causes Of Loss – Basic Form, the Causes Of Loss – Broad Form and the Causes Of Loss – Special Form; and
2. Paragraph **B.2.b.** of the Mortgageholders Errors And Omissions Coverage Form

is replaced by the following exclusion:

We will not pay for loss or damage caused by or resulting from artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.

POLICY NUMBER:ZCC D713544 00

COMMERCIAL PROPERTY  
CP 04 11 10 12**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

### SCHEDULE

Premises Number	Building Number	Protective Safeguards Symbols Applicable
2	1	P-1
<b>Describe Any "P-9":</b>		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

**A. The following is added to the Commercial Property Conditions:****Protective Safeguards**

- As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
- The protective safeguards to which this endorsement applies are identified by the following symbols:

**"P-1" Automatic Sprinkler System**, including related supervisory services.

Automatic Sprinkler System means:

- Any automatic fire protective or extinguishing system, including connected:
  - Sprinklers and discharge nozzles;
  - Ducts, pipes, valves and fittings;
  - Tanks, their component parts and supports; and
  - Pumps and private fire protection mains.
- When supplied from an automatic fire protective system:
  - Non-automatic fire protective systems; and

- Hydrants, standpipes and outlets.

**"P-2" Automatic Fire Alarm**, protecting the entire building, that is:

- Connected to a central station; or
- Reporting to a public or private fire alarm station.

**"P-3" Security Service**, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.**"P-4" Service Contract** with a privately owned fire department providing fire protection service to the described premises.**"P-5" Automatic Commercial Cooking Exhaust And Extinguishing System** installed on cooking appliances and having the following components:

- Hood;
- Grease removal device;
- Duct system; and
- Wet chemical fire extinguishing equipment.

**"P-9"**, the protective system described in the Schedule.

**B.** The following is added to the **Exclusions** section of:

Causes Of Loss – Basic Form

Causes Of Loss – Broad Form

Causes Of Loss – Special Form

Mortgageholders Errors And Omissions Coverage Form

Standard Property Policy

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or

2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System or Automatic Commercial Cooking Exhaust And Extinguishing System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

**COMMERCIAL PROPERTY**  
**CP 10 30 10 12**

## CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G**. Definitions.

### A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

### B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

#### a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

#### b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

With respect to coverage for Volcanic Action as set forth in **(5)(a)**, **(5)(b)** and **(5)(c)**, all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion applies regardless of whether any of the above, in Paragraphs **(1)** through **(5)**, is caused by an act of nature or is otherwise caused.

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

**d. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

**e. Utility Services**

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

**f. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

**h. "Fungus", Wet Rot, Dry Rot And Bacteria**

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria result in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".



This exclusion does not apply:

- (1) When "fungus", wet or dry rot or bacteria result from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

- a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d.(1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;

- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

- (7) The following causes of loss to personal property:

- (a) Dampness or dryness of atmosphere;
- (b) Changes in or extremes of temperature; or
- (c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1) You do your best to maintain heat in the building or structure; or

- (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;
- (2) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, including any of the following conditions of property or any part of the property:
- (1) An abrupt falling down or caving in;
- (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, k., does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage, Collapse; or

- (b) To collapse caused by one or more of the following:

- (i) The "specified causes of loss";
- (ii) Breakage of building glass;
- (iii) Weight of rain that collects on a roof; or
- (iv) Weight of people or personal property.

- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Faulty, inadequate or defective:
- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;
- of part or all of any property on or off the described premises.

#### 4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

##### a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:
  - (a) Damage or destruction of "finished stock"; or
  - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
  - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
  - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

- (5) Any other consequential loss.

##### b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a., Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
  - (a) Your cancelling the lease;
  - (b) The suspension, lapse or cancellation of any license; or
  - (c) Any other consequential loss.

##### c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:
  - (a) Paragraph B.1.a. Ordinance Or Law;
  - (b) Paragraph B.1.c. Governmental Action;
  - (c) Paragraph B.1.d. Nuclear Hazard;
  - (d) Paragraph B.1.e. Utility Services; and
  - (e) Paragraph B.1.f. War And Military Action.
- (2) The following additional exclusions apply to insurance under this Coverage Form:

##### (a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

##### (b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

## 5. Additional Exclusion

The following provisions apply only to the specified property:

### Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

## C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated:

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
  - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
  - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
    - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
    - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
  - (2) Business Income Coverage or Extra Expense Coverage.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
  - f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
  - g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
    - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
    - (2) Changes in or extremes of temperature;
    - (3) Disease;
    - (4) Frost or hail; or
    - (5) Rain, snow, ice or sleet.
  2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
    - a. Animals, and then only if they are killed or their destruction is made necessary.
    - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
      - (1) Glass; or
      - (2) Containers of property held for sale.
    - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.
 

However, this limitation does not apply:

      - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
      - (2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):
  - a. \$2,500 for furs, fur garments and garments trimmed with fur.
  - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
  - c. \$2,500 for patterns, dies, molds and forms.
  - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:
  - a. Results in discharge of any substance from an automatic fire protection system; or
  - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

#### **D. Additional Coverage – Collapse**

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

1. For the purpose of this Additional Coverage, Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
  - a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
  - c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
  - d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
    - (1) A cause of loss listed in **2.a.** or **2.b.**;
    - (2) One or more of the "specified causes of loss";
    - (3) Breakage of building glass;
    - (4) Weight of people or personal property; or
    - (5) Weight of rain that collects on a roof.
3. This **Additional Coverage – Collapse** does **not** apply to:
  - a. A building or any part of a building that is in danger of falling down or caving in;
  - b. A part of a building that is standing, even if it has separated from another part of the building; or
  - c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
4. With respect to the following property:
  - a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;



- b. Awnings, gutters and downspouts;
  - c. Yard fixtures;
  - d. Outdoor swimming pools;
  - e. Fences;
  - f. Piers, wharves and docks;
  - g. Beach or diving platforms or appurtenances;
  - h. Retaining walls; and
  - i. Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
- (2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
  - b. The personal property which collapses is inside a building; and
  - c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

- 6. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- 7. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
- 8. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in **D.1.** through **D.7.**

#### **E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**

- 1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

- a. A "specified cause of loss" other than fire or lightning; or
- b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

- 2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
  - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
- 3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.



4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form:
  - a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
  - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

## F. Additional Coverage Extensions

### 1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
  - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
  - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
  - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

### 2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

### 3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension **F.3.** does not increase the Limit of Insurance.

#### **G. Definitions**

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or
    - (2) Sinking or collapse of land into man-made underground cavities.
  - b. Falling objects does not include loss or damage to:
    - (1) Personal property in the open; or
    - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

#### **c. Water damage means:**

- (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and
- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in **c.(1)** or **c.(2)** of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
FARM COVERAGE PART  
STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to Standard Property Policy **CP 00 99**, the terms Coverage Part and Coverage Form in this endorsement are replaced by the term Policy.
- B.** The following is added to the **Legal Action Against Us** Condition:  
The two year period for legal action against us is extended by the number of days between the date the proof of loss is filed with us and the date we deny the claim in whole or in part.
- C.** If this policy covers:
  1. The following in **a.** and **b.**, then Paragraphs **2.** and **3.** apply:
    - a.** Real property used principally for residential purposes up to and including a four family dwelling; or
    - b.** Household or personal property that is usual or incidental to the occupancy of any premises used for residential purposes.
  2. The second paragraph of the **Appraisal** Condition is deleted and replaced by the following:
    - a.** Each party will pay its own appraiser and bear the other expenses of the appraisal and umpire equally, except as provided in **b.** below.
    - b.** We will pay your appraiser's fee and the umpire's appraisal fee, if the following conditions exist:
      - (1) You demanded the appraisal; and
      - (2) The full amount of loss, as set by your appraiser, is agreed to by our appraiser or by the umpire.
3. The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following:  
**Concealment, Misrepresentation Or Fraud**
  - a.** This Coverage Part or Coverage Form is void if you or any insured ("insured") commit fraud or conceal or misrepresent a fact in the process leading to the issuance of this insurance, and such fraud, concealment or misrepresentation is stated in the policy or endorsement or in the written application for this policy and:
    - (1) Was made with actual intent to deceive; or
    - (2) Materially affected either our decision to provide this insurance or the hazard we assumed.

However, this condition will not serve as a reason to void this Coverage Part or Coverage Form after the Coverage Part or Coverage Form has been in effect for one year or one policy term, whichever is less.
  - b.** We do not provide coverage under this Coverage Part or Coverage Form to you or any other insured ("insured") who, at any time subsequent to the issuance of this insurance, commit fraud or intentionally conceal or misrepresent a material fact relating to:
    - (1) This Coverage Part or Coverage Form;
    - (2) The Covered Property;
    - (3) Your interest in the Covered Property; or
    - (4) A claim under this Coverage Part or Coverage Form.
  - c.** Notwithstanding the limitations stated in **3.a.** above, we may cancel the Coverage Part or Coverage Form in accordance with the terms of the Cancellation Condition.

**D.** For the Commercial Property Coverage Part and the Standard Property Policy, the following exclusion and related provisions are added to Paragraph **B.2.** Exclusions in the Causes of Loss Forms and to any Coverage Form or policy to which a Causes of Loss Form is not attached:

1. We will not pay for loss or damage arising out of any act an insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no insured is entitled to coverage, even insureds who did not commit or conspire to commit the act causing the loss.

2. However, this exclusion will not apply to deny payment to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if:

- a. The loss arose out of a pattern of criminal domestic violence; and
- b. The perpetrator of the loss is criminally prosecuted for the act causing the loss.

3. If we pay a claim pursuant to Paragraph **D.2.**, our payment to the insured is limited to that insured's insurable interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

**E.** The **Intentional Loss Exclusion** in the Causes of Loss Form – Farm Property, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form is replaced by the following:

1. We will not pay for loss ("loss") or damage arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss ("loss").

In the event of such loss ("loss"), no "insured" is entitled to coverage, even "insureds" who did not commit or conspire to commit the act causing the loss ("loss").

2. However, this exclusion will not apply to deny payment to an innocent co-"insured" who did not cooperate in or contribute to the creation of the loss ("loss") if:

- a. The loss ("loss") arose out of a pattern of criminal domestic violence; and
- b. The perpetrator of the loss ("loss") is criminally prosecuted for the act causing the loss.

3. If we pay a claim pursuant to Paragraph **E.2.**, our payment to the "insured" is limited to that "insured's" insurable interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

**F.** The **Intentional Loss Exclusion** in the Capital Assets Program (Output Policy) Coverage Part, is replaced by the following:

1. We will not pay for loss or damage arising out of any act an insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no insured is entitled to coverage, even insureds who did not commit or conspire to commit the act causing the loss.

2. However, this exclusion will not apply to deny payment to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if:

- a. The loss arose out of a pattern of criminal domestic violence; and
- b. The perpetrator of the loss is criminally prosecuted for the act causing the loss.

3. If we pay a claim pursuant to Paragraph **F.2.**, our payment to the insured is limited to that insured's insurable interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ASBESTOS LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS POLICY  
COMMERCIAL GENERAL LIABILITY COVERAGE PART**

This insurance does not apply to “bodily injury”, “property damage”, “personal injury” or “advertising injury” arising out of any actual or alleged:

1. Inhaling, ingesting or prolonged physical exposure by any person to asbestos or asbestos fibers or goods or products containing asbestos; or
2. Use of asbestos in constructing or manufacturing any good, product or structure; or
3. Intentional or accidental removal including encapsulation, dispersal, sealing or disposal of asbestos or asbestos fibers from any good, product or structure; or
4. Manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos; or
5. Product manufactured, sold, handled or distributed by or on behalf of the insured which contain asbestos; or
6. Acts or omissions of the insured in connection with the general supervision of any job involving the removal, enclosure, encapsulation, dispersal, sealing or disposal of asbestos, asbestos fibers or products containing asbestos.

General supervision includes the rendering of or failure to render any instructions, recommendations, warnings or advice.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – TOBACCO AND ELECTRONIC CIGARETTE LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART FOR OPERATIONS OF DESIGNATED CONTRACTOR  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART

The following is added to **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** and **SECTION I – COVERAGES, COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions** in the COMMERCIAL GENERAL LIABILITY COVERAGE PART; **SECTION I – COVERAGES, BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** in the OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART - COVERAGE FOR OPERATIONS OF DESIGNATED CONTRACTOR; **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** and **SECTION I – COVERAGES, COVERAGE B – PHYSICAL DAMAGE TO PROPERTY, 2. Exclusions** in the RAILROAD PROTECTIVE LIABILITY COVERAGE PART; or **SECTION I – LIQUOR LIABILITY COVERAGE, 2. Exclusions** in the LIQUOR LIABILITY COVERAGE PART:

This insurance does not apply to:

### Tobacco Products and Electronic Cigarettes

Any liability or expense arising out of, resulting from or caused by tobacco products, electronic cigarettes, other electronic nicotine-delivery devices, or smoke, heat, ash, vapor, fumes, propylene glycol, glycerol, flavorings, nicotine, and other byproducts from or components or of such products or devices.

This exclusion also applies to:

- (1) Supervision, instructions, recommendations, warnings, representations, warranties or advice given or which should have been given in connection with the use of tobacco products, electronic cigarettes or other electronic nicotine-delivery devices; or
- (2) Any obligation to share damages with or repay someone else who must pay damages because of injury or damages arising out of the use of tobacco products, electronic cigarettes or other electronic nicotine-delivery devices.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## COMMERCIAL GENERAL LIABILITY BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

#### SUMMARY OF COVERAGES

1.	Additional Insured by Contract, Agreement or Permit	Included
2.	Additional Insured – Primary and Non-Contributory	Included
3.	Blanket Waiver of Subrogation	Included
4.	Bodily Injury Redefined	Included
5.	Broad Form Property Damage – Borrowed Equipment, Customers Goods & Use of Elevators	Included
6.	Knowledge of Occurrence	Included
7.	Liberalization Clause	Included
8.	Medical Payments – Extended Reporting Period	Included
9.	Newly Acquired or Formed Organizations - Covered until end of policy period	Included
10.	Non-owned Watercraft	51 ft.
11.	Supplementary Payments Increased Limits	
	- Bail Bonds	\$2,500
	- Loss of Earnings	\$1000
12.	Unintentional Failure to Disclose Hazards	Included
13.	Unintentional Failure to Notify	Included

This endorsement amends coverages provided under the Commercial General Liability Coverage Part through new coverages, higher limits and broader coverage grants.

#### 1. Additional Insured by Contract, Agreement or Permit

The following is added to **SECTION II – WHO IS AN INSURED**:

##### Additional Insured by Contract, Agreement or Permit

- a. Any person or organization with whom you agreed in a written contract, written agreement or permit that such person or organization to add an additional insured on your policy is an additional insured only with respect to liability for “bodily injury”, “property damage”, or “personal and advertising injury” caused, in whole or in part, by your acts or omissions, or the acts or omissions of those acting on your behalf, but only with respect to:

- (1) "Your work" for the additional insured(s) designated in the contract, agreement or permit;

- (2) Premises you own, rent, lease or occupy; or

- (3) Your maintenance, operation or use of equipment leased to you.

- b. The insurance afforded to such additional insured described above:

- (1) Only applies to the extent permitted by law; and

- (2) Will not be broader than the insurance which you are required by the contract, agreement or permit to provide for such additional insured.

- (3) Applies on a primary basis if that is required by the written contract, written agreement or permit.
  - (4) Will not be broader than coverage provided to any other insured.
  - (5) Does not apply if the "bodily injury", "property damage" or "personal and advertising injury" is otherwise excluded from coverage under this Coverage Part, including any endorsements thereto.
- c. This provision does not apply:
- (1) Unless the written contract or written agreement was executed or permit was issued prior to the "bodily injury", "property damage", or "personal injury and advertising injury".
  - (2) To any person or organization included as an insured by another endorsement issued by us and made part of this Coverage Part.
  - (3) To any lessor of equipment:
    - (a) After the equipment lease expires; or
    - (b) If the "bodily injury", "property damage", "personal and advertising injury" arises out of sole negligence of the lessor
  - (4) To any:
    - (a) Owners or other interests from. whom land has been leased which takes place after the lease for the land expires; or
    - (b) Managers or lessors of premises if:
      - (i) The occurrence takes place after you cease to be a tenant in that premises; or
      - (ii) The "bodily injury", "property damage", "personal injury" or "advertising injury" arises out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor.
  - (5) To "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services.
- This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" or the offense which caused the "personal and

advertising injury" involved the rendering of or failure to render any professional services by or for you.

- d. With respect to the insurance afforded to these additional insureds, the following is added to **SECTION III – LIMITS OF INSURANCE**:

The most we will pay on behalf of the additional insured for a covered claim is the lesser of the amount of insurance:

- 1. Required by the contract, agreement or permit described in Paragraph a.; or
- 2. Available under the applicable Limits of Insurance shown in the Declarations.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

## 2. Additional Insured – Primary and Non-Contributory

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 4. Other insurance:

### Additional Insured – Primary and Non-Contributory

If you agree in a written contract, written agreement or permit that the insurance provided to any person or organization included as an Additional Insured under **SECTION II – WHO IS AN INSURED**, is primary and non-contributory, the following applies:

If other valid and collectible insurance is available to the Additional Insured for a loss covered under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

#### a. Primary Insurance

This insurance is primary to other insurance that is available to the Additional Insured which covers the

Additional Insured as a Named Insured. We will not seek contribution from any other insurance available to the Additional Insured except:

- (1) For the sole negligence of the Additional Insured;
- (2) When the Additional Insured is an Additional Insured under another primary liability policy; or
- (3) when b. below applies.

If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

**b. Excess Insurance**

(1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(b) That is Fire insurance for premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner;

(c) That is insurance purchased by the Additional Insured to cover the Additional Insured's liability as a tenant for "property damage" to premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner; or

(d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**.

(2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other Insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each

insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers

**3. Blanket Waiver of Subrogation**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us:**

We waive any right of recovery we may have against any person or organization with whom you have a written contract that requires such waiver because of payments we make for damage under this coverage form. The damage must arise out of your activities under a written contract with that person or organization. This waiver applies only to the extent that subrogation is waived under a written contract executed prior to the "occurrence" or offense giving rise to such payments.

**4. Bodily Injury Redefined**

**SECTION V – DEFINITIONS**, Definition 3. "bodily injury" is replaced by the following:

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these at any time. "Bodily injury" includes mental anguish or other mental injury resulting from "bodily injury".

**5. Broad Form Property Damage – Borrowed Equipment, Customers Goods, Use of Elevators**

a. **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph 2. **Exclusions** subparagraph j. is amended as follows:

Paragraph (4) does not apply to "property damage" to borrowed equipment while at a jobsite and not being used to perform operations.

Paragraphs (3), (4) and (6) do not apply to "property damage" to "customers goods" while on your premises nor do they apply to the use of elevators at premises you own, rent, lease or occupy.

b. The following is added to **SECTION V – DEFINITIONS:**

24. "Customers goods" means property of your customer on your premises for the purpose of being:

- a. worked on; or
- b. used in your manufacturing process.
- c. The insurance afforded under this provision is excess over any other valid and collectible property insurance (including deductible) available to the insured whether primary, excess, contingent

**6. Knowledge of Occurrence**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 2. **Duties in the Event of Occurrence, Offense, Claim or Suit:**

- e. Notice of an "occurrence", offense, claim or "suit" will be considered knowledge of the insured if reported to an individual named insured, partner, executive officer or an "employee" designated by you to give us such a notice.

**7. Liberalization Clause**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

**Liberalization Clause**

If we adopt any revision that would broaden the coverage under this Coverage Form without additional premium, within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

**8. Medical Payments – Extended Reporting Period**

- a. **SECTION I – COVERAGES, COVERAGE C – MEDICAL PAYMENTS**, Paragraph 1. **Insuring Agreement**, subparagraph a.(3)(b) is replaced by the following:
  - (b) The expenses are incurred and reported to us within three years of the date of the accident; and
- b. This coverage does not apply if **COVERAGE C – MEDICAL PAYMENTS** is excluded either by the provisions of the Coverage Part or by endorsement.

**9. Newly Acquired Or Formed Organizations**

**SECTION II – WHO IS AN INSURED**, Paragraph 3.a. is replaced by the following:

- a. Coverage under this provision is afforded until the end of the policy period.

**10. Non-Owned Watercraft**

**SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph 2. **Exclusions**, subparagraph g.(2) is replaced by the following:

**g. Aircraft, Auto Or Watercraft**

(2) A watercraft you do not own that is:

- (a) Less than 51 feet long; and
- (b) Not being used to carry persons or property for a charge;

This provision applies to any person who, with your consent, either uses or is responsible for the use of a watercraft.

**11. Supplementary Payments Increased Limits**

**SECTION I – SUPPLEMENTARY PAYMENTS COVERAGES A AND B**, Paragraphs 1.b. and 1.d. are replaced by the following:

**1.b.** Up to \$2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

**1.d.** All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1000 a day because of time off from work.

**12. Unintentional Failure to Disclose Hazards**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 6. **Representations:**

We will not disclaim coverage under this Coverage Part if you fail to disclose all hazards existing as of the inception date of the policy provided such failure is not intentional.

**13. Unintentional Failure to Notify**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 2. **Duties in the Event of Occurrence, Offense, Claim or Suit:**

Your rights afforded under this policy shall not be prejudiced if you fail to give us notice of an "occurrence", offense, claim or "suit", solely due to your reasonable and documented belief that the "bodily injury" or "property damage" is not covered under this policy.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## COMMERCIAL GENERAL LIABILITY ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

#### SUMMARY OF COVERAGES

1.	Additional Insured – Broad Form Vendors	Included
2.	Aggregate Limit per Location	Included
3.	Alienated Premises	Included
4.	Broad Form Named Insured	Included
5.	Extended Property Damage	Included
6.	Incidental Malpractice (Employed nurses, EMT's & paramedics)	Included
7.	Mobile Equipment Redefined	Included
8.	Personal Injury – Broad Form	Included
9.	Product Recall Expense	
	- Product Recall Expense Each Occurrence Limit	\$25,000
	- Product Recall Expense Aggregate Limit	\$50,000
	- Product Recall Deductible	\$500
10.	Property Damage Legal Liability – Broad Form	
	- Fire, Lightning, Explosion, Smoke and Leakage from Fire Protective Systems Damage Limit	\$1,000,000

This endorsement amends coverages provided under the Commercial General Liability Coverage Part through new coverages, higher limits and broader coverage grants.

#### 1. Additional Insured – Broad Form Vendors

The following is added to **SECTION II – WHO IS AN INSURED:**

##### Additional Insured – Broad Form Vendors

- a. Any person or organization that is a vendor with whom you agreed in a written contract or written agreement to include as an additional insured under this Coverage Part is an insured, but only with respect to liability for "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business.
- b. The insurance afforded to such vendor described above:
  - (1) Only applies to the extent permitted by law;
  - (2) Will not be broader than the insurance which you are required by the contract or agreement to provide for such vendor;
  - (3) Will not be broader than coverage provided to any other insured; and

- (4) Does not apply if the "bodily injury", "property damage" or "personal and advertising injury" is otherwise excluded from coverage under this Coverage Part, including any endorsements thereto

- c. With respect to insurance afforded to such vendors, the following additional exclusions apply:

The insurance afforded to the vendor does not apply to:

- (1) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reasons of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (2) Any express warranty unauthorized by you;
- (3) Any physical or chemical change in the product made intentionally by the vendor;
- (4) Repackaging, unless unpacked solely for the purpose of inspection, demonstration,



testing, or the substitution of parts under instruction from the manufacturer, and then repackaged in the original container;

- (5) Any failure to make such inspection, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business in connection with the sale of the product;
  - (6) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
  - (7) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
  - (8) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
    - (a) The exceptions contained within the exclusion in subparagraphs (4) or (6) above; or
    - (b) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
  - (9) "Bodily injury" or "property damage" arising out of an "occurrence" that took place before you have signed the contract or agreement with the vendor.
  - (10) To any person or organization included as an insured by another endorsement issued by us and made part of this Coverage Part.
  - (11) Any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
- d. With respect to the insurance afforded to these vendors, the following is added to **SECTION III – LIMITS OF INSURANCE:**
- The most we will pay on behalf of the vendor for a covered claim is the lesser of the amount of insurance:
1. Required by the contract or agreement described in Paragraph a.; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

## 2. Aggregate Limit Per Location

- a. **SECTION III – LIMITS OF INSURANCE**, the General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.

- b. For purpose of this coverage only, the following is added to **SECTION V – DEFINITIONS:**

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

## 3. Alienated Premises

**SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph 2. **Exclusions**, subparagraph j.(2) is replaced by the following:

- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises and occurred from hazards that were known by you, or should have reasonably been known by you, at the time the property was transferred or abandoned.

## 4. Broad Form Named Insured

If you are designated in the Declarations as anything other than an individual, then any organization:

- a. Over which you maintained a combined ownership interest of more than 50% on the effective date of this policy;
- b. That is not a partnership, joint venture or limited liability company; and
- c. That is not excluded by any endorsement to this policy, will qualify as a Named Insured if there is no other similar insurance available to that organization, or that would be available but for exhaustion of its limits.

Any such organization will cease to qualify as a Named Insured as of the date during the policy period when the combined ownership interest of the Named Insureds in the organization equals or falls below 50%.

## 5. Extended Property Damage

**SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph 2. **Exclusions**, subparagraph a. is replaced by the following:



**a. Expected Or Intended Injury**

Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

**6. Incidental Malpractice – Employed Nurses, EMT's and Paramedics**

**SECTION II – WHO IS AN INSURED**, paragraph **2.a.(1)(d)** does not apply to a nurse, emergency medical technician or paramedic employed by you if you are not engaged in the business or occupation of providing medical, paramedical, surgical, dental, x-ray or nursing services.

**7. Mobile Equipment Redefined**

**SECTION V – DEFINITIONS**, Definition **12**. "Mobile Equipment", paragraph **f.(1)** does not apply to self-propelled vehicles of less than 1,000 pounds gross vehicle weight.

**8. Personal Injury – Broad Form**

**a. SECTION I – COVERAGES, COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**, Paragraph **2. Exclusions**, subparagraph **e.** is deleted.

**b. SECTION V – DEFINITIONS**, Definition **14**, "Personal and advertising injury" subparagraph **b.** is replaced by the following:

**b.** Malicious prosecution or abuse of process.

**c.** The following is added to **SECTION V – DEFINITIONS**, Definition **14**. "Personal and advertising injury":

"Discrimination" (unless insurance thereof is prohibited by law) that results in injury to the feelings or reputation of a natural person, but only if such "discrimination" is:

**(1)** Not done intentionally by or at the direction of:

**(a)** The insured;

**(b)** Any officer of the corporation, director, stockholder, partner or member of the insured; and

**(2)** Not directly or indirectly related to an "employee", not to the employment, prospective employment or termination of any person or persons by an insured.

**d.** The following is added to **SECTION V – DEFINITIONS**:

"Discrimination" means the unlawful treatment of individuals based upon race, color, ethnic origin, gender, religion, age, or sexual preference. "Discrimination" does not

include the unlawful treatment of individuals based upon developmental, physical, cognitive, mental, sensory or emotional impairment or any combination of these.

**e.** This coverage does not apply if **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY** is excluded either by the provisions of the Coverage Form or by endorsement.

**9. Product Recall Expense**

**a. SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph **2. Exclusions**, subparagraph **n.** is replaced by the following:

**n. Recall of Products, Work or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

**(1)** "Your product";

**(2)** "Your work"; or

**(3)** "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it, but this exclusion does not apply to "product recall expenses" that you incur for the "covered recall" of "your product".

However, this exception to the exclusion does not apply to "product recall expenses" resulting solely from:

**(4)** Failure of any products to accomplish their intended purpose;

**(5)** Breach of warranties of fitness, quality, durability or performance;

**(6)** Loss of customer approval, or any cost incurred to regain customer approval;

**(7)** Redistribution or replacement of "your product" which has been recalled by like products or substitutes;

**(8)** Caprice or whim of the insured;

**(9)** A condition likely to cause loss of which any insured knew or had reason to know at the inception of this insurance;

- (10) Asbestos, including loss, damage or clean up resulting from asbestos or asbestos containing materials;
  - (11) Recall of "your products" that have no known or suspected defect solely because a known or suspected defect in another of "your products" has been found.
- b. The following is added to **SECTION II – WHO IS AN INSURED**, Paragraph 3.
- COVERAGE A** does not apply to "product recall expense" arising out of any withdrawal or recall that occurred before you acquired or formed the organization.
- c. For the purposes of this endorsement only, the following is added to **SECTION III – LIMITS OF INSURANCE**:
- Product Recall Expense Limits of Insurance**
- a. The Limits of Insurance shown in the SUMMARY OF COVERAGES of this endorsement and rules stated below fix the most we will pay under this Product Recall Expense Coverage regardless of the number of:
    - (1) Insureds:
    - (2) "Covered Recalls" initiated: or
    - (3) Number of "your products" withdrawn.
  - b. The Product Recall Expense Aggregate Limit is the most we will reimburse you for the sum of all "product recall expenses" incurred for all "covered recalls" initiated during the policy period.
  - c. The Product Recall Expense Each Occurrence Limit is the most we will pay in connection with any one defect or deficiency.
  - d. All "product recall expenses" in connection with substantially the same general harmful condition will be deemed to arise out of the same defect or deficiency and considered one "occurrence".
  - e. Any amount reimbursed for "product recall expenses" in connection with any one "occurrence" will reduce the amount of the Product Recall Expense Aggregate Limit available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.
  - f. If the Product Recall Expense Aggregate Limit has been reduced by reimbursement of "product recall

expenses" to an amount that is less than the Product Recall Expense Each Occurrence Limit, the remaining Product Recall Expense Aggregate Limit is the most that will be available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.

**g. Product Recall Deductible**

We will only pay for the amount of "product recall expenses" which are in excess of the \$500 Product Recall Deductible. The Product Recall Deductible applies separately to each "covered recall". The limits of insurance will not be reduced by the amount of this deductible.

We may, or will if required by law, pay all or any part of any deductible amount, if applicable. Upon notice of our payment of a deductible amount, you shall promptly reimburse us for the part of the deductible amount we paid.

The Product Recall Expense Limits of Insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for the purposes of determining the Limits of Insurance.

**d. The following is added to SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, Paragraph 2. Duties in the Event of Occurrence, Offense, Claim or Suit:**

You must take the following actions in the event of an actual or anticipated "covered recall" that may result in "product recall expense":

- (1) Give us prompt notice of any discovery or notification that "your product" must be withdrawn or recalled, including a description of "your product" and the reason for the withdrawal or recall; and
- (2) Cease any further release, shipment, consignment or any other method of distribution of like or similar products until it has been determined that all such products are free from defects that could be a cause of loss under this insurance.

- e. The following definitions are added to **SECTION V – DEFINITIONS:**

"Covered recall," means a recall made necessary because you or a government body has determined that a known or suspected defect, deficiency, inadequacy, or dangerous condition in "your product" has resulted or will result in "bodily injury" or "property damage".

"Product recall expense" means:

- a. Necessary and reasonable expenses for:

- (1) Communications, including radio or television announcements or printed advertisements including stationery, envelopes and postage;
- (2) Shipping the recalled products from any purchaser, distributor or user to the place or places designated by you;
- (3) Remuneration paid to your regular "employees" for necessary overtime;
- (4) Hiring additional persons, other than your regular "employees";
- (5) Expenses incurred by "employees" including transportation and accommodations;
- (6) Expenses to rent additional warehouse or storage space;
- (7) Disposal of "your product", but only to the extent that specific methods of destruction other than those employed for trash discarding or disposal are required to avoid "bodily injury" or "property damage" as a result of such disposal;

You incur exclusively for the purpose of recalling "your product"; and

- b. Your lost profit resulting from such "covered recall".

- f. This Product Recall Expense Coverage does not apply:

- (1) If the "products – completed operations hazard" is excluded from coverage under this Coverage Part including any endorsement thereto; or
- (2) To "product recall expense" arising out of any of "your products" that are otherwise excluded from coverage under this Coverage Part including endorsements thereto.

## 10. Property Damage Legal Liability – Broad Form

- a. **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, the last paragraph (after the exclusions) is replaced by the following:

Exclusions c. through n. do not apply to damage by fire, lightning, explosion, smoke or leakage from fire protective systems to premises while rented to you or temporarily occupied by you with the permission of the owner. A separate limit of insurance applies to this coverage as described in **SECTION III – LIMITS OF INSURANCE.**

- b. **SECTION III – LIMITS OF INSURANCE**, Paragraph 6. is replaced by the following:

6. Subject to Paragraph 5. above, The Damage to Premises Rented to You Limit is the most we will pay under **COVERAGE A** for damages because of "property damage" to any one premises from fire, lightning, explosion, smoke and leakage from fire protective systems to premises, while rented to you or temporarily occupied by you with permission of the owner.

The Damage to Premises Rented to You Limit is the higher of:

- a. \$1,000,000; or
- b. The Damage to Premises Rented to You Limit shown in the Declarations.

This limit will apply to all damage caused by the same event, whether such damage results from fire, lightning, explosion, smoke, leakage from fire protective systems or any combination of any of these.

- c. **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 4. **Other Insurance**, subparagraph b. **Excess Insurance**, item (a)(ii) is replaced by the following:

- (ii) That is fire, lightning, explosion, smoke or leakage from fire protective systems insurance for premises rented to you or temporarily occupied by you with permission of the owner; or

- d. **SECTION V – DEFINITIONS**, Definition 9. "Insured contract", Paragraph a. is replaced by the following:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke or leakage from fire protective systems to

premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract".

- e. This coverage does not apply if Damage to Premises Rented to You is excluded either by the provisions of the Coverage Part or by endorsement.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

**COMMERCIAL GENERAL LIABILITY**  
**CG 00 01 04 13**

## COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

### SECTION I – COVERAGES

#### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

##### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".



## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".



**f. Pollution**

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

**g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

**h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

**i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

## **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:
- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

### **2. Exclusions**

This insurance does not apply to:

#### **a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

#### **b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

#### **c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

#### **d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

#### **e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

#### **f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

#### **g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

#### **h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

**i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

**j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.



## COVERAGE C – MEDICAL PAYMENTS

### 1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
  - (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
 provided that:
  - (a) The accident takes place in the "coverage territory" and during the policy period;
  - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
  - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
  - (1) First aid administered at the time of an accident;
  - (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
  - (3) Necessary ambulance, hospital, professional nursing and funeral services.

### 2. Exclusions

We will not pay expenses for "bodily injury":

- a. **Any Insured**  
To any insured, except "volunteer workers".
- b. **Hired Person**  
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. **Injury On Normally Occupied Premises**  
To a person injured on that part of premises you own or rent that the person normally occupies.

### d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

### e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

### f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

### g. Coverage A Exclusions

Excluded under Coverage A.

## SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

- 1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
  - a. All expenses we incur.
  - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
  - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
  - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
  - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.



- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
  - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - b. This insurance applies to such liability assumed by the insured;
  - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - f. The indemnitee:
    - (1) Agrees in writing to:
      - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
      - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
      - (c) Notify any other insurer whose coverage is available to the indemnitee; and
      - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
    - (2) Provides us with written authorization to:
      - (a) Obtain records and other information related to the "suit"; and
      - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

## SECTION II – WHO IS AN INSURED

- 1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

**2. Each of the following is also an insured:**

- a.** Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

**(1) "Bodily injury" or "personal and advertising injury":**

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b)** To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;
- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **(1)(a)** or **(b)** above; or
- (d)** Arising out of his or her providing or failing to provide professional health care services.

**(2) "Property damage" to property:**

- (a)** Owned, occupied or used by;
- (b)** Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by; you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b.** Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c.** Any person or organization having proper temporary custody of your property if you die, but only:

- (1)** With respect to liability arising out of the maintenance or use of that property; and
- (2)** Until your legal representative has been appointed.

- d.** Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

**3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:**

- a.** Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b.** Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c.** Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

**SECTION III – LIMITS OF INSURANCE**

**1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:**

- a.** Insureds;
- b.** Claims made or "suits" brought; or
- c.** Persons or organizations making claims or bringing "suits".

**2. The General Aggregate Limit is the most we will pay for the sum of:**

- a.** Medical expenses under Coverage **C**;
- b.** Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- c.** Damages under Coverage **B**.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage **A**; and
  - b. Medical expenses under Coverage **C**
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

#### **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**

##### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable.
 You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

##### **3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

#### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

##### a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

##### b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

##### c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### 5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### 6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;



- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

#### **7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

#### **8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

#### **9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

#### **SECTION V – DEFINITIONS**

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
  - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
    - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;
 provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

**9. "Insured contract" means:**

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

**10.** "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

**11.** "Loading or unloading" means the handling of property:

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**12.** "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1)** Power cranes, shovels, loaders, diggers or drills; or
  - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2)** Cherry pickers and similar devices used to raise or lower workers;
- f.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.



However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**13.** "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

**14.** "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

**15.** "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**16.** "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
  - (a) When all of the work called for in your contract has been completed.
  - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
  - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

**17.** "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**18.** "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**19.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

**20.** "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

**21.** "Your product":

**a.** Means:

- (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a)** You;
  - (b)** Others trading under your name; or
  - (c)** A person or organization whose business or assets you have acquired; and
- (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b.** Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
  - (2)** The providing of or failure to provide warnings or instructions.
- c.** Does not include vending machines or other property rented to or located for the use of others but not sold.

**22.** "Your work":

**a.** Means:

- (1)** Work or operations performed by you or on your behalf; and
- (2)** Materials, parts or equipment furnished in connection with such work or operations.

**b.** Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2)** The providing of or failure to provide warnings or instructions.

**COMMERCIAL GENERAL LIABILITY  
CG 02 00 01 18**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ILLINOIS CHANGES – CANCELLATION  
AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PRODUCT WITHDRAWAL COVERAGE PART

**A. Cancellation** (Common Policy Conditions) is replaced by the following:

**Cancellation**

1. The first Named Insured shown in the Declarations may cancel this Policy by mailing to us advance written notice of cancellation.
2. We may cancel this Policy by mailing to you, at your last mailing address known to us, written notice stating the reason for cancellation. Proof of mailing will be sufficient proof of notice. If we cancel:
  - a. For nonpayment of premium, we will mail the notice at least 10 days prior to the effective date of cancellation.
  - b. For a reason other than nonpayment of premium, we will mail the notice at least:
    - (1) 30 days prior to the effective date of cancellation if the Policy has been in effect for 60 days or less.
    - (2) 60 days prior to the effective date of cancellation if the Policy has been in effect for more than 60 days.
3. If this Policy has been in effect for more than 60 days, we may cancel only for one or more of the following reasons:
  - a. Nonpayment of premium;
  - b. The Policy was obtained through a material misrepresentation;

- c. Any insured has violated any of the terms and conditions of the Policy;
- d. The risk originally accepted has measurably increased;
- e. Certification to the Director of Insurance of the loss of reinsurance by the insurer that provided coverage to us for all or a substantial part of the underlying risk insured; or
- f. A determination by the Director of Insurance that the continuation of the Policy could place us in violation of the insurance laws of this State.
4. Notification of cancellation will also be sent to your broker, if known, or agent of record, if known.
5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
6. If this Policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be less than pro rata. The cancellation will be effective even if we have not offered a refund.

- B. The following is added and supersedes any provision to the contrary:

**Nonrenewal**

If we decide not to renew or continue this Policy, we will mail you written notice, stating the reason for nonrenewal, at least 60 days before the end of the policy period. Proof of mailing will be sufficient proof of notice. Notification of nonrenewal will also be sent to your broker, if known, or agent of record, if known. If we offer to renew or continue and you do not accept, this Policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this Policy will end on the effective date of that insurance.

POLICY NUMBER: ZCC D713544 00

COMMERCIAL GENERAL LIABILITY  
CG 04 35 12 07**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****EMPLOYEE BENEFITS LIABILITY COVERAGE****THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.  
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Coverage	Limit Of Insurance	Each Employee Deductible	Premium
Employee Benefits Programs	\$1,000,000 each employee	\$1,000	\$316
	\$3,000,000 aggregate		
Retroactive Date:	12/31/2017		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

**A. The following is added to Section I – Coverages:****COVERAGE – EMPLOYEE BENEFITS LIABILITY****1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph D. (Section III – Limits Of Insurance); and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

**b. This insurance applies to damages only if:**

- (1) The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";
- (2) The act, error or omission, did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and
- (3) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph c. below, during the policy period or an Extended Reporting Period we provide under Paragraph F. of this endorsement.

**c. A "claim" seeking damages will be deemed to have been made at the earlier of the following times:**

- (1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or



- (2) When we make settlement in accordance with Paragraph **a.** above.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

- d. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

## 2. Exclusions

This insurance does not apply to:

### a. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

### b. Bodily Injury, Property Damage, Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

### c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

### d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

### e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any "claim" based upon:

- (1) Failure of any investment to perform;
- (2) Errors in providing information on past performance of investment vehicles; or
- (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

## f. Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

## g. ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

## h. Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

## i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

## j. Employment-Related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

## B. For the purposes of the coverage provided by this endorsement:

1. All references to Supplementary Payments – Coverages **A** and **B** are replaced by Supplementary Payments – Coverages **A**, **B** and **Employee Benefits Liability**.
2. Paragraphs **1.b.** and **2.** of the Supplementary Payments provision do not apply.

## C. For the purposes of the coverage provided by this endorsement, Paragraphs **2.** and **4.** of **Section II – Who Is An Insured** are replaced by the following:

### 2. Each of the following is also an insured:

- a. Each of your "employees" who is or was authorized to administer your "employee benefit program".
- b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.

- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.
- 3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However:
  - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
  - b. Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.
- D. For the purposes of the coverage provided by this endorsement, **Section III - Limits Of Insurance** is replaced by the following:

#### 1. Limits Of Insurance

- a. The Limits of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
  - (1) Insureds;
  - (2) "Claims" made or "suits" brought;
  - (3) Persons or organizations making "claims" or bringing "suits";
  - (4) Acts, errors or omissions; or
  - (5) Benefits included in your "employee benefit program".
- b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
- c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:
  - (1) An act, error or omission; or
  - (2) A series of related acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations of the policy to which this endorsement is attached, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance.

#### 2. Deductible

- a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
- b. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
- c. The terms of this insurance, including those with respect to:
  - (1) Our right and duty to defend any "suits" seeking those damages; and
  - (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim"

apply irrespective of the application of the deductible amount.
- d. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.
- E. For the purposes of the coverage provided by this endorsement, Conditions 2. and 4. of **Section IV - Commercial General Liability Conditions** are replaced by the following:
  - 2. **Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"**
    - a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
      - (1) What the act, error or omission was and when it occurred; and

- (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

**b.** If a "claim" is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

**c.** You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.

**d.** No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

**4. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

**a. Primary Insurance**

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

**b. Excess Insurance**

- (1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:
  - (a) No Retroactive Date is shown in the Schedule of this insurance; or
  - (b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.
- (2) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self-insured amounts under all that other insurance.
- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Schedule of this endorsement.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance to the total applicable limits of insurance of all insurers.

- F. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added, or, if this endorsement is attached to a claims-made Coverage Part, replaces any similar Section in that Coverage Part:

#### **EXTENDED REPORTING PERIOD**

1. You will have the right to purchase an Extended Reporting Period, as described below, if:
  - a. This endorsement is canceled or not renewed; or
  - b. We renew or replace this endorsement with insurance that:
    - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
    - (2) Does not apply to an act, error or omission on a claims-made basis.
2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.
3. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a. The "employee benefit programs" insured;
- b. Previous types and amounts of insurance;
- c. Limits of insurance available under this endorsement for future payment of damages; and
- d. Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.

4. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.

Paragraph **D.1.b.** of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph **D.1.c.**

- G. For the purposes of the coverage provided by this endorsement, the following definitions are added to the **Definitions** Section:

1. "Administration" means:

- a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
- b. Handling records in connection with the "employee benefit program"; or
- c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.

2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
3. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.

4. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:
  - a. Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts; provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
  - b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
  - c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
  - d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
  - e. Any other similar benefits designated in the Schedule or added thereto by endorsement.
- H. For the purposes of the coverage provided by this endorsement, Definitions 5. and 18. in the **Definitions** Section are replaced by the following:
  5. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
  18. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:
    - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
    - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.



COMMERCIAL GENERAL LIABILITY  
CG 21 06 05 14

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF  
CONFIDENTIAL OR PERSONAL INFORMATION AND  
DATA-RELATED LIABILITY – WITH  
LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion 2.p. of **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

p. **Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

B. The following is added to Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Access Or Disclosure Of Confidential Or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.



**COMMERCIAL GENERAL LIABILITY  
CG 21 47 12 07**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**COMMERCIAL GENERAL LIABILITY  
CG 21 55 09 99**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TOTAL POLLUTION EXCLUSION  
WITH A HOSTILE FIRE EXCEPTION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

Exclusion f. under Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

**f. Pollution**

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

This exclusion does not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:

- (a) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or

- (b) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants".

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

COMMERCIAL GENERAL LIABILITY  
CG 21 67 12 04

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

- B. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

- C. The following definition is added to the Definitions Section:**

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

**COMMERCIAL GENERAL LIABILITY  
CG 21 70 01 15**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

- A.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.
- "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
- 1.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  - 2.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

COMMERCIAL GENERAL LIABILITY  
CG 21 76 01 15

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF PUNITIVE DAMAGES  
RELATED TO A CERTIFIED ACT OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**A. The following exclusion is added:**

This insurance does not apply to:

**TERRORISM PUNITIVE DAMAGES**

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

**B. The following definition is added:**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.**



COMMERCIAL GENERAL LIABILITY  
CG 21 96 03 05

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**SILICA OR SILICA-RELATED DUST EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Silica Or Silica-Related Dust**

- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
- b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

- B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Silica Or Silica-Related Dust**

- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
  - b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.
- C. The following definitions are added to the Definitions Section:**
1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
  2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

## CYBER LIABILITY COVERAGE PART

### CLAIMS-MADE WARNING

THIS COVERAGE PART INCLUDES COVERAGES WRITTEN ON A CLAIMS-MADE BASIS UNDER INSURING AGREEMENTS A. AND B. SUBJECT TO ITS TERMS, CLAIMS-MADE COVERAGE APPLIES ONLY TO "CLAIMS" FIRST MADE AGAINST THE "INSURED" DURING THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD. PLEASE READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE AND COVERAGE RESTRICTIONS

### "DEFENSE EXPENSES" WITHIN LIMITS AND DEDUCTIBLE

THE LIMITS OF LIABILITY WILL BE REDUCED AND CAN BE COMPLETELY EXHAUSTED BY THE PAYMENT OF COVERED "DEFENSE EXPENSES". IN THE EVENT THAT THE LIMIT OF LIABILITY IS EXHAUSTED, THE "INSURER" SHALL NOT BE LIABLE FOR "DEFENSE EXPENSES", JUDGMENTS OR SETTLEMENTS IN EXCESS OF THE APPLICABLE LIMIT. INSURING AGREEMENTS A. AND B. ARE SUBJECT TO DEDUCTIBLE AMOUNTS STATED IN THE DECLARATIONS. AMOUNTS INCURRED FOR "DEFENSE EXPENSES" ARE SUBJECT TO THE APPLICABLE DEDUCTIBLE

Words and phrases that appear in quotation marks have special meaning. Refer to **SECTION IX – DEFINITIONS**.

### SECTION I – INSURING AGREEMENTS

#### A. Privacy and Security Liability

The "insurer" will pay on behalf of the "insured", "loss" which the "insured" is legally obligated to pay due to a "claim" first made against the "insured" during the "policy period", or Extended Reporting Period if applicable, and which arises out of a "Privacy Breach" or a "Security Breach" to which this insurance applies.

#### B. Cyber Media Liability

The "insurer" will pay on behalf of the "insured", "loss" which the "insured" is legally obligated to pay due to a "claim" first made against the "insured" during the "policy period", or Extended Reporting Period if applicable, and which arises out of a "Cyber Media Breach" to which this insurance applies.

With respect to **Insuring Agreements A. and B.** above, this insurance applies to "Privacy Breach", "Security Breach" or "Cyber Media Breach" only if the "Privacy Breach", "Security Breach" or "Cyber Media Breach" did not occur before the Retroactive Date shown in the Cyber Declarations or after the end of the "policy period". The Retroactive Date is the specific date shown in **Item 4.** of the Cyber Declarations. If 'none' or no date is entered, the Retroactive Date will be the same as the policy inception date shown in **Item 2.** of the Cyber Declarations.

### SECTION II – EXCLUSIONS

This insurance does not apply to any "loss" or "claim":

#### A. Prior Notice

Based upon, arising out of or in any way related to any "Security Breach", "Privacy Breach", "Cyber Media Breach", investigation, proceeding, act, event, transaction, decision, fact, circumstance or situation which has been the subject of any notice

given to any other insurer, under any similar prior Policy or Coverage Part of which this Policy or Coverage Part is a direct or indirect renewal or replacement.

#### B. Past Events

Based upon, arising out of or in any way related to any "Security Breach", "Privacy Breach", "Cyber Media Breach", investigation, proceeding, act, event, result, damage, transaction, decision, fact, circumstance or situation which occurred, in whole or in part, prior:

1. To the applicable Retroactive Date set forth in **Item 4.** of the Cyber Declarations; or
2. To the date an entity became a "subsidiary".

#### C. Bodily Injury or Property Damage

For the physical injury to or destruction of any tangible property, including loss of use of that property and loss of use of property that is not physically damaged; or for bodily injury, mental anguish, humiliation, emotional distress, disability, sickness, disease, death, assault or battery sustained by any individual, however this Exclusion shall not apply to "loss" due to a "claim" for any mental anguish, humiliation or emotional distress resulting from a "Privacy Breach" or "Cyber Media Breach".

#### D. Conduct

Based upon, arising out of or in any way related to any dishonest or fraudulent act or omission, or a willful violation of any statute or regulation. However, this Exclusion shall not apply to "defense expenses" unless and until a final or non-appealable judgment or adjudication in any underlying proceeding or action establishes such an act or omission or violation.

No conduct pertaining to any “insured individual” shall be imputed to any other “insured individual” for the purpose of determining the applicability of this exclusion. Any conduct pertaining to any past, present or future “executive” of an “insured entity” shall be imputed to such “insured entity” and its “subsidiaries”.

#### **E. Contract**

Based upon, arising out of or in any way related to liability assumed through any oral or written contract or agreement to which an “insured” is a party; however, this Exclusion shall not apply to a “Security Breach” or “Privacy Breach”.

#### **F. Pollution**

Based upon, arising out of or in any way related to:

The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of “pollutants”:

1. “Loss”, cost or expense arising out of any request, demand, order or statutory or regulatory requirement that any “insured” or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of “pollutants”; or
2. Any regulation, direction, request or order by or on behalf of a governmental authority to test for, monitor, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of “pollutants”.

#### **G. Nuclear**

Based upon, arising out of or in any way related to the radioactive, toxic, or explosive properties of nuclear material which includes, but is not limited to, Source Material, Special Nuclear Material and Byproduct Material as those terms are defined in the Atomic Energy Act of 1954 and any amendments thereto, and any similar provisions of any federal, state or local statutory or common law.

#### **H. Intentional or Willful Complicity**

Based upon, arising out of or in any way related to the “insured’s” intentional or willful complicity in a covered “loss” event.

#### **I. Prior & Pending Proceedings**

Based upon, arising out of or in any way related to any litigation, administrative or arbitration proceeding, written demand pending against an “insured”, or any order, decree or judgment entered prior to or on the Prior & Pending Proceedings Date set forth in the Cyber Declarations.

#### **J. Patent Infringement & Trade Secrets**

Based upon, arising out of or in any way related to any infringement of a patent or trade secret.

#### **K. Intellectual Property**

For a “Cyber Media Breach” that is based upon, arising out of or in any way related to any:

- a. Distribution or sale of, or offer to distribute or sell, any good, product or service; or
- b. Other use of any good, product or service that infringes or violates an intellectual property law or right.

#### **L. Websites**

Based upon, arising out of or in any way related to:

- a. Controlling, creating, designing, or developing any third party’s Website;
- b. Controlling, creating, designing, developing, determining, or providing the content or material of any third party’s Website; or
- c. Controlling, facilitating, or providing, or failing to control, facilitate, or provide, access to the internet.

#### **M. Antitrust**

Based upon, arising out of or in any way related to actual or alleged price fixing, price discrimination, restraint of trade, unfair business practices, monopolistic practices or any actual or alleged violations of the Sherman Antitrust Act of 1890 or the Clayton Act of 1914, and any amendments thereto, the Robinson-Patman Act of 1938, the Federal Trade Commission Act of 1914 or any rules or regulations promulgated in connection with such statutes, or any similar provisions of any federal, state or local statutory law or common law anywhere in the world. However, this Exclusion shall not apply to “loss” for a “claim” arising out of a “Privacy Breach”.

#### **N. ERISA**

For any actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the English Pension Scheme Act 1993 or the English Pensions Act 1995, all as amended, or any similar statutory or common law anywhere in the world including rules or regulations promulgated thereunder.

#### **O. “Insured” vs. “Insured”**

Brought by or on behalf of a natural person who is a director, chairperson, or “executive” of any “insured entity” or who holds a similar title or position within any “insured entity”.

#### **P. Software & Computer Code**

Based upon, arising out of or in any way related to any infringement of, violation of, or assertion of,

any right to or interest in any software or its source content or material; “computer” code or its source content or material or expression method; or process designed to control or facilitate any operation or other use of a “computer” or automated “system”.

#### Q. Warranty

Based upon, arising out of or in any way related to the failure of goods, products, or “services” to conform with any electronic, oral, written, or other representation or warranty with respect to durability, fitness, performance, quality or use.

### SECTION III – DEFENSE AND SETTLEMENT OF “CLAIMS”

- A. The “insurer” shall have the right and duty to defend any “claim” covered by this Coverage Part even if the allegation of such “claim” is groundless, false or fraudulent. The “insurer” has no duty to defend any “claim” or pay “defense expenses” for “claims” to which this insurance does not apply. The right and duty to defend any “claim” covered under this Coverage Part shall cease when the applicable Limit of Liability for the Privacy and Security Liability or the Cyber Media Liability Insuring Agreements, or the Maximum Aggregate Limit of Liability on the Cyber Declarations has been exhausted by the payment of “loss”.
- B. The “insured” shall provide all information in connection with any “claim” and cooperate with the “insurer” in the investigation, defense and settlement of any “claim”.
- C. No “insured” shall settle any “claim”, voluntarily make any payment, assume any obligation, or incur any “defense expense” related to a “claim” without the “insurer’s” consent.
- D. The “insurer” may conduct any investigation it deems necessary and settle any “claim” subject to the “named insured’s” written consent to settle which shall not be unreasonably withheld. If any “insured” refuses to consent to the settlement of any “claim” which the “insurer” recommends and which is acceptable to the claimant, subject to the applicable Limit of Liability or Deductible, the “insurer’s” liability for all “loss” from such “claim” shall not exceed the amount the “insurer” would have contributed to the settlement including “defense expenses” incurred up to the date of such refusal.
- E. The “insurer” shall not seek repayment from an “insured individual” of any “defense expenses” paid by the “insurer” that are deemed uninsured pursuant to **SECTION II – EXCLUSIONS Paragraph D. Conduct**, unless the applicable determination standard set forth in such Exclusion has been met.

- F. If the “insurer” is prevented by law or otherwise unable to defend or investigate a “claim” brought outside the United States, the “insured” under the “insurer’s” supervision may arrange for the investigation, appointment of counsel and defense of such “claim”. Subject to the applicable Limit of Liability and Deductible, the “insurer” will reimburse the “insured” for any reasonable and necessary “defense expenses” for such “claim”.

### SECTION IV – LIMIT OF LIABILITY

Regardless of the number of “insureds”, “claims”, or claimants the “insurer’s” liability under this Coverage Part is limited as follows:

- A. The Maximum Aggregate Limit of Liability shown in **Item 3.** of the Cyber Declarations is the most the “insurer” will pay under this Coverage Part during the “policy period” for the total of all “loss” arising from “claims” or “related claims” to which the insurance applies.
- B. Subject to the Maximum Aggregate Limit, the Limit of Liability shown in **Item 4.** of the Cyber Declarations for **Insuring Agreement A. Privacy and Security Liability** is the most the “insurer” will pay for “loss” due to “claims” or “related claims” arising out of a “Privacy Breach” or a “Security Breach” to which the insurance applies
- C. Subject to the Maximum Aggregate Limit, the Limit of Liability shown in **Item 4.** of the Cyber Declarations for **Insuring Agreement B. Cyber Media Liability** is the most the “insurer” will pay for “loss” due to “claims” or “related claims” arising out of a “Cyber Media Breach” to which the insurance applies.
- D. If a “claim” or “related claim” is covered by more than one Insuring Agreement under this Policy or Coverage Part, then the maximum amount payable under all Insuring Agreements combined shall not exceed the largest applicable Limit of Liability.
- E. The Limit of Liability for any Extended Reporting Period, if applicable, shall be part of and not in addition to the Maximum Aggregate Limit of Liability shown in **Item 3.** of the Cyber Declarations.

### SECTION V – DEDUCTIBLE

- A. The “insurer’s” liability under this Coverage Part applies only to that part of covered “loss” which is in excess of the applicable Deductible stated in **Item 4.** of the Cyber Declarations.
- B. In the event that different parts of a “claim” or “related claim” are covered under more than one Insuring Agreement, only the largest applicable Deductible amount will be applied.
- C. “Claims” or “related claims” are subject to the Deductibles applicable to the “policy period” during



which such “claims” or “related claims” are deemed to have been made.

- D. The “insurer” may, at its sole discretion, pay all or part of the Deductible amount on behalf of the “insured”. In such an event, the “insured” agrees to repay the “insurer” any amount so paid.

## SECTION VI – REPORTING

- A. An “insured” shall provide the “insurer” with written notice as soon as practicable after an “executive”, chief information officer or any person with responsibility for the management of insurance “claims”, or any equivalent position within the “insured entity” becomes aware of a “claim”, but in no event later than:

1. Ninety (90) days after the effective date of expiration or termination; or
2. The expiration date of the Extended Reporting Period, if applicable.

However, if the “insurer” sends written notice to the “named insured” stating that this Policy is being terminated for nonpayment of premium, an “insured” shall give the “insurer” written notice of such “claim” prior to the effective date of such termination.

- B. If during the “policy period”, or during an applicable Extended Reporting Period, an “insured” becomes aware of an act or circumstances that may subsequently give rise to a “claim” and gives the “insurer” notice of such act or circumstances, then any “claim” subsequently arising from such act or circumstances shall be deemed made against the “insured” during the “policy period” in which the act or circumstances were first reported to the “insurer” provided that any such subsequent “claim” is reported to the “insurer” in accordance with paragraph A. above.
- C. An “insured” must give to the “insurer” the assistance, information and cooperation as the “insurer” may require and shall include in any notice of a “claim”, act or circumstances of a potential “claim”, a description of the “claim”, act or circumstances, the nature of the alleged “Security Breach”, “Privacy Breach” or “Cyber Media Breach”, the nature and amount of alleged or potential damage, the names of actual or potential claimants, and the manner in which the “insured” first became aware of the “claim”, circumstances or alleged “Privacy Breach”, “Security Breach” or “Cyber Media Breach”.

## SECTION VII – CONDITIONS

### A. Representations and Severability

1. No statement, fact pertaining to, or knowledge possessed by any “insured individual” shall be imputed to any other “insured individual”.

2. By accepting this policy, the “named insured” agrees that:

- a. The statements in the Application and Cyber Declarations are accurate and complete;
- b. Those statements are based on representations the “named insured” made to the “insurer”; and
- c. The “insurer” has issued this policy in reliance upon these representations.

The unintentional failure to disclose all hazards existing as of the inception date of the policy will not prejudice the “named insured’s” rights under this policy. However, this provision does not affect the “insurer’s” right to collect additional premium or exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws and regulations.

### B. Spouses, Domestic Partners, Estates and Legal Representatives

Solely with respect to the **Insuring Agreements A. Privacy and Security Liability** and **B. Cyber Media Liability**, coverage shall extend to:

1. A lawful spouse or domestic partner, as defined under any applicable federal, state or local law, of an “insured individual” solely by reason of such person’s status as spouse or domestic partner or such person’s ownership interest in property which the claimant seeks as recovery from an “insured individual”;
2. The estate, heirs, legal representatives or assigns of an “insured individual” if such “insured individual” is deceased, legally incompetent, insolvent or bankrupt.

Coverage shall not apply to “loss” or “claims” for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by an “insured individual’s” spouse, domestic partner, heir, estate, legal representative or assigns.

### C. Legal Proceedings Against Us

1. No individual or entity has a right under this Coverage Part to join the “insurer” as a party or otherwise bring the “insurer” into a suit asking for damages from an “insured” or to sue the “insurer” on this Coverage Part unless all of its terms have been fully complied with.
2. An individual or entity may sue the “insurer” to recover on an agreed settlement or on a final judgment against an “insured” but the “insurer” will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable Limit of Liability. An agreed

settlement means a settlement and release of liability signed by the “insurer”, the “insured” and the claimant or the claimant’s legal representative.

#### **D. Change In Control or Exposure**

##### **1. Acquisition of the “Named Insured”**

If during the “policy period”:

- a. Another individual, entity or group of individuals or entities acquires more than fifty percent (50%) of the assets of the “named insured”; or
- b. Another individual, entity or group of individuals or entities acquires more than fifty percent (50%) of the outstanding securities representing the right to vote for the election of directors, trustees, members of the Board of Managers or management committee members of the “named insured”; or
- c. The “named insured” consolidates or merges with another entity and the “named insured” is not the surviving entity; or
- d. The “named insured” emerges from bankruptcy on an effective date stated in the plan of reorganization; then the coverage provided under this Coverage Part shall continue until the termination or expiration of the “policy period”, but only for “claims” for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty which occurs prior to the transaction date of such event.

The “named insured” shall notify the “insurer” of any such event described in paragraphs 1.a. thru 1.d. above as soon as practicable but no later than sixty (60) days after the effective date of the transaction, and provide such additional information as the “insurer” requires.

##### **2. Cessation of “Subsidiaries”**

If before or during the “policy period” an “insured entity” ceases to be a “subsidiary” then coverage for such “subsidiary” and its “insureds” shall continue under all Insuring Agreements until termination or expiration of this “policy period” but only for “claims” for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty that takes place prior to the date such entity ceased to be a “subsidiary”.

##### **3. Acquisition of Another Organization**

If before or during the “policy period” the “insured entity” acquires the voting rights of another entity such that the acquired entity

becomes a “subsidiary”, then coverage for such “subsidiary” and its “insureds” shall be provided but only for “claims” for any “Privacy Breach”, “Security Breach” or “Cyber Media Breach” that takes place after the date such entity became a “subsidiary”.

If during the “policy period” the “insured entity” acquires another entity and at the time of such acquisition the entity becomes a “subsidiary” (or would have but for its absorption into the “insured”) and the total revenue of the acquired entity exceeded twenty five percent (25%) of the “insured entity” as of the beginning of the “policy period”, then the “named insured” shall agree to any amendments to the terms of this Coverage Part, including, but not limited to, any additional premium the “insurer” may require.

#### **E. Subrogation**

If the “insured” has rights to recover all or part of any payment the “insurer” has made under this Coverage Part, those rights are transferred to the “insurer”. The “insured” must do nothing after “loss” to impair them. At the request of the “insurer”, the “insured” will bring suit or transfer those rights to the “insurer” and help the “insurer” enforce them.

#### **F. Other Insurance**

If other valid and collectible insurance (other than a Policy or Coverage Part issued specifically as excess of this Coverage Part) is available to the “insured” for “loss” covered under this Coverage Part, then the insurance provided by this Coverage Part shall be excess of such other insurance regardless of whether or not such insurance is primary, contributory, excess, contingent or on any other basis.

When this insurance is excess, the “insurer” will have no duty to investigate or defend any “claim” if any other insurer has a duty to defend the “insured” against that “claim”. If no other insurer defends, the “insurer” will undertake to do so, but the “insurer” will be entitled to the “insured’s” rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the “loss”, if any, that exceeds the sum of:

1. The total amount that all such other insurance would pay for the “loss” in the absence of this insurance; and
2. The total of all deductible and self-insured amounts under all that other insurance.



#### **G. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the "loss" remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### **H. Territory**

Coverage applies anywhere in the world, provided that no trade or economic sanction, embargo, insurance or other laws or regulations prohibit the "insurer" from covering the "loss". However, any "claim" made must be brought and held against the "insured" in the United States of America, its territories or possessions, Puerto Rico or Canada.

#### **I. Cancellation And Non-Renewal**

With regard to the cancellation and non-renewal of this policy, the provisions outlined in the Commercial General Liability Coverage Part and the Common Policy Conditions or the Businessowners Coverage Part, whichever are included in the policy, shall apply and will automatically include the non-renewal or cancellation of this coverage form. You agree that no further notice regarding termination of this Coverage Form will be required.

For the purposes of the Cancellation and Nonrenewal provisions, the words "you" and "your" refer to the "Named Insured" shown in the Declarations, and any other person or organization qualifying as a "Named Insured" under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

#### **J. Bankruptcy**

Bankruptcy of an "insured" shall not relieve the "insurer" of its obligations under this Coverage Part.

#### **K. Role of Named "Insured"**

By accepting this Coverage Part, the "named insured" agrees that it is authorized to, and will act on behalf of all "insureds" with respect to any rights provided under this Coverage Part and each "insured" authorizes the "named insured" to act on its behalf with respect to all such matters.

#### **L. Titles and Headings**

The titles and headings in this Coverage Part are solely for convenience and form no part of the terms and conditions of coverage.

#### **M. Conformance to Law and Trade Sanctions**

Coverage under this Coverage Part does not apply to the extent trade, economic sanction, insurance or other laws or regulations prohibit the "insurer" from providing insurance. The terms of this Coverage Part which are in conflict with the statutes of the jurisdiction in which this Coverage Part is issued are amended to conform to those statutes.

#### **N. Two or More Coverage Parts, Forms, Endorsements or Policies Issued By The "Insurer"**

It is the "insurer's" stated intent that the various coverage parts, forms, endorsements or policies issued to the "named insured" by the "insurer" or any company affiliated with the "insurer"; do not provide any duplication or overlap of coverage for the same "claim" or "loss". If this coverage part and any other coverage part, form, endorsement or policy issued to the "named insured" by the "insurer", or any company affiliated with the "insurer", apply to the same "claim" or "loss"; the maximum Limit of Liability under all such coverage parts, forms, endorsements or policies combined shall not exceed the highest applicable Limit of Liability under any one coverage part, form, endorsement or policy.

This condition does not apply to any Excess or Umbrella Policy issued by the "insurer" specifically to apply as excess insurance over this policy or Coverage Part.

#### **O. Due Diligence**

The "named insured" agrees to use due diligence to prevent and mitigate "loss" covered under this Coverage Part. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for providing and maintaining the following:

1. Physical security for the "named insured's" premises, "computer" "systems" and hard copy files;
2. "Computer" and Internet security;
3. Periodic backups of "computer" "data";
4. Protection, including but not limited to, encryption of "data", for transactions such as processing credit card, debit card and check payments; and
5. Disposal of files containing "private personal data", including but not limited to shredding hard copy files and destroying physical "media" used to store electronic "data".

## SECTION VIII – EXTENDED REPORTING PERIODS

A. The “insurer” will provide one or more Extended Reporting Periods, as described below, if:

1. This Coverage Part is canceled or not renewed; or
2. The “insurer” renews or replaces this Coverage Part with insurance that:
  - a. Has a Retroactive Date later than the date shown in **Item 4.** of the Cyber Declarations; or
  - b. Does not apply to “loss” arising out of a “Privacy Breach”, “Security Breach” or “Cyber Media Breach” on a claims-made basis.

The “named insured” agrees that in the event of a “claim” made during an Extended Reporting Period, they will do nothing that could prejudice the position of the “insurer” or any potential or actual rights of recovery, subrogation, or contribution.

B. Extended Reporting Periods do not extend the “policy period” or change the scope of the coverage provided. They apply only to “claims” because of “loss” arising out of a “Privacy Breach”, “Security Breach” or “Cyber Media Breach” occurring prior to the end of the “policy period” but not before the retroactive date.

Once in effect, Extended Reporting Periods may not be canceled.

C. If the “insurer” cancels or does not renew this Coverage Part for any reason other than nonpayment of premium, an Automatic Extended Reporting Period will be provided without an additional premium. This period starts with the end of the “policy period” and lasts for 60 days with respect to “claims” because of “loss” arising out of a “Privacy Breach”, “Security Breach” or “Cyber Media Breach” occurring prior to the end of the “policy period” but not before the retroactive date, and not previously reported to the “insurer”.

1. This Automatic Extended Reporting Period does not apply to “claims” that are covered under any subsequent insurance the “named insured” purchases, or that would be covered but for exhaustion of the amount of insurance applicable to such “claims”.
2. The Automatic Extended Reporting Period does not reinstate or increase the Limits of Insurance.

D. If this Coverage Part is cancelled or not renewed, the “named insured” shall have the right, upon payment of an additional premium, to an Optional Extended Reporting Period. This period starts with the end of the “policy period” with respect to “claims” because of “loss” arising out of a “Privacy

Breach”, “Security Breach” or “Cyber Media Breach” occurring prior to the end of the “policy period” but not before the retroactive date, and not previously reported to the “insurer”.

1. This Optional Extended Reporting Period does not apply to “claims” that are covered under any subsequent insurance the “named insured” purchases, or that would be covered but for exhaustion of the amount of insurance applicable to such “claims”.
2. The Optional Extended Reporting Period does not reinstate or increase the Limits of Insurance.
3. The “named insured” must give the “insurer” a written request for the Optional Extended Reporting Period endorsement within 60 days following the date of cancellation or nonrenewal. The Optional Extended Reporting Period will not go into effect unless the “named insured” pays the additional premium promptly when due. If the cancellation or nonrenewal is for nonpayment of premium, this Optional Extended Reporting Period will not be provided unless any earned premium due is paid within 60 days after the effective date of such cancellation or expiration.
4. The available Optional Extended Reporting Periods and associated additional premiums are displayed in the table below.

Optional Reporting Period	Percent of Annual Premium
One Year	100%
Two Years	150%
Three Years	200%

E. In the event similar insurance is in force covering “claims” first made during Extended Reporting Period, coverage provided by this Coverage Part shall be excess over any part of any other valid and collectible insurance available to the “insured”, whether primary, excess, contingent or on any other basis, whose “policy period” begins or continues after this “policy period” ends.

## SECTION IX – DEFINITIONS

A. “**Breach Notice Law**” means any federal, state, local or foreign privacy legislation, regulation and their functional equivalent that requires an entity to provide notice to affected natural persons of any actual or potential unauthorized access to their “private personal data”.

B. “**Claim**” means:

1. A written demand received by an “insured” for monetary damages or non-monetary relief including injunctive relief;

2. Any complaint or similar pleading initiating a judicial, civil, or administrative proceeding;
  3. An alternative dispute or arbitration proceeding to which an "insured" is provided notice and which subjects an "insured" to a binding adjudication for monetary or non-monetary relief; against an "insured" for a "Security Breach", "Privacy Breach" or "Cyber Media Breach", including any appeal therefrom.
  4. A written request first received by an "insured" to toll or waive a statute of limitations relating to a potential "claim" described in paragraphs 1. through 3. above.
- C. "Computer"** means a device or group of hardware devices on which software, applications, script, code and "computer" programs containing "data" can be operated and viewed.
- D. "Cyber Attack"** means the transmission of fraudulent or unauthorized "data" that is intended to and successfully modifies, alters, damages, destroys, deletes, records, transmits, or consumes information within a "system" without authorization, including "data" that is self-replicating or self-propagating, and which causes the disruption of the normal operation of a "system".
- E. "Cyber Content"** means the electronic display, electronic transmission, or electronic dissemination of information through a "network" or through an insured's "system", including through email and an "insured entity's" internet website(s).
- F. "Cyber Media Breach"** means the alleged or actual unintentional and unauthorized:
1. Infringement of a collective mark, service mark, service name, trademark, trade dress, domain name, commercial logo, commercial slogan, commercial symbol, commercial title, copyright, name of a product, service or entity, or title of an artistic or literary work;
  2. Plagiarism or unauthorized use of protected literary or artistic work, format, character or performance;
  3. Invasion or interference with the right of publicity including name, persona, voice or likeness;
  4. Defamation, libel, slander, trade libel, false light or other tort directly arising from the disparagement of or harm to the reputation or character of any person or entity;
- resulting directly from "cyber content" of the "insured entity".
- G. "Data"** means a representation of information, knowledge, facts, concepts or instructions which are being processed or have been processed in a "computer".
- H. "Defense Expenses"** means the reasonable and necessary legal fees and expenses including attorney fees and expert fees incurred by the "insurer" or the "insured" (other than regular or overtime wages, salaries, fees or benefits of "insured individuals") in the investigation, defense, settlement and appeal of a "claim", including but not limited to cost of consultants and witnesses, premiums for appeal, injunction, attachment or supersedes bonds regarding such "claim".
- I. "Executive"** means an "insured entity's" Chief Executive Officer, Chief Financial Officer, President and In-House General Counsel.
- J. "Insured"** means the "named insured", any "subsidiary" and any "insured individual".
- K. "Insured Individual"** means any natural person who is:
1. A duly elected past, present or future director, officer, trustee, manager, in-house general counsel, committee member of a duly constituted committee; or
  2. A past, present or future employee (other than an independent contractor) including any part-time, seasonal, leased and temporary employees, and volunteers;
- including equivalent positions anywhere in the world, but only while such person is acting within the scope of his or her duties as such.
- L. "Insured Entity"** means the "named insured" and any "subsidiary".
- M. "Insurer"** means the company providing this insurance as designated in the Cyber Declarations.
- N. "Liquidated Damages"** means a sum of money stipulated by the parties to a contract as the amount of damages to be recovered for a breach of such contract.
- O. "Loss"** means "defense expenses" and the amount the "insured" is legally obligated to pay as a result of a "claim" including:
1. Monetary judgments, awards or settlements, pre-judgment interest and post-judgment interest and compensatory damages;
  2. Punitive or exemplary damages or the multiple portion of any multiplied damage award if insurable under the law of the jurisdiction most favorable to the insurability of such damages where such jurisdiction has a substantial relationship to the "insured", the "insurer", or to the "claim" giving rise to such damages; or
  3. Civil fines or penalties assessed against an "insured individual" if, and to the extent, such

finances or penalties are insurable under the law of the jurisdiction in which such fines and penalties are assessed.

However, "loss" does not include:

4. The cost or expense incurred to replace, upgrade, update, improve, remediate or maintain a "system";
5. Any amount deemed uninsurable by law;
6. Taxes;
7. Any amount incurred by an "insured" in the defense or investigation of any action, proceeding or demand that was not a "claim" even if such amount also benefits the defense of a covered "claim" or such action, proceeding or demand that subsequently gives rise to a "claim";
8. Return of fees, charges, commissions or other compensation paid to an "insured";
9. The cost or expense incurred to perform any obligation assumed by, on behalf of, or with the consent of any "insured";
10. The cost of compliance with any order for, grant of or agreement to provide non-monetary relief, including injunctive relief; or
11. "Liquidated Damages".

**P. "Media"** means electronic applications, software, scripts and programs on which "data" is stored so that it can be collected, read, retrieved or processed by a "computer". "Media" does not mean paper, or other tangible property, money, debt, equity, instruments, accounts, bonds, bills, records, abstracts, deeds or manuscripts.

**Q. "Named Insured"** means the entity designated in **Item 1.** of the Cyber Declarations.

**R. "Network"** means any "services" provided by or through the facilities of any electronic or "computer" communication "system", allowing the input, output, examination, visualization or transfer of "data" or programs from one "computer" to an "insured entity's" "computer". "Network" includes any shared "networks", Internet access facilities, or other similar facilities for such "systems", in which an "insured" participates

**S. "Pollutant"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**T. "Policy Period"** means the period of time from the inception date shown in **Item 2.** of the Cyber Declarations to the earlier of the expiration date shown in **Item 2.** of the Cyber Declarations or the effective date of termination of this Policy or Coverage Part.

**U. "Potentially-Identified Person"** means any person who is the "named insured's" current, former or prospective customer, employee, client, member, or patient and whose "private personal data" is lost, stolen, accidentally released or accidentally published by a "privacy breach", "security breach", "cyber media breach" covered under this Coverage Part.

This definition is subject to the following provisions:

1. "Potentially-identified person" does not include any business or organization. Only an individual person may be a "potentially-identified person".
2. A "potentially-identified person" must have a direct relationship with the "named insured". The following are examples of individuals who do not meet this requirement:
  - a. If the "named insured" aggregates or sells information about individuals as part of the "named insured's" business, "potentially-identified persons" do not include the individuals about whom the "named insured" keeps such information.
  - b. If the "named insured" stores, processes, transmits or transports records, "potentially-identified persons" do not include the individuals whose "private personal data" the "named insured" is storing, processing, transmitting or transporting for another entity.

The above examples are not meant to be all inclusive but are provided as a way to identify those not meeting the requirements of this definition.

**V. "Privacy Breach"** means:

1. The "insured entity's" failure to protect "private personal data" including a "Cyber Attack" on the "insured's entity's" "system" or the actions of a "rogue employee" which directly results in the unauthorized disclosure of "private personal data";
2. The theft or negligent loss of hardware, "media", "system output", "data" or other documents owned or controlled by, or on behalf of, an "insured entity" on which "private personal data" is stored or recorded;
3. The "insured's" negligent failure to disclose an event referenced in **1.** or **2.** above in violation of any "breach notice law"; or
4. The "insured's" negligent violation of any applicable federal, state, foreign or local privacy legislation or regulation in connection with any "claim".



**W. “Private Personal Data”** means a natural person’s first name or first initial and last name in combination with:

- a. Non-public personally identifiable information, as defined in applicable federal, state, local or foreign legislation or regulations including, social security number, driver’s license number or other personal identification number (including an employee identification number or student identification number);
- b. Financial account number (including a bank account number, retirement account number or healthcare spending account number);
- c. Credit, debit or payment card numbers;
- d. Information related to employment by an “insured”;
- e. Individually identifiable information considered nonpublic personal information pursuant to Title V of the Gramm-Leach Bliley Act of 1999, as amended; or
- f. Individually identifiable information considered protected health information pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended;

which is intended to be accessible only by natural persons or entities an “insured” has specifically authorized to have such access.

“Private personal data” does not mean or include information that is otherwise available to the public, such as names and addresses with no correlated Social Security numbers or account numbers.

**X. “Related Claims”** means all “claims” based upon, arising from or in any way related to the same facts, circumstances, situations, transactions, results, damages or events or the same series of facts, circumstances, situations, transactions, results, damage or events.

**Y. “Rogue Employee”** means a permanent employee of an “insured entity”, other than an “executive”, who has gained unauthorized access or has exceeded authorized access to a “system” or “private personal data” owned or controlled by an “insured entity” or an entity that is authorized by an “insured” to hold, process or store “private personal data” for the exclusive benefit of the “insured entity”.

**Z. “Security Breach”** means:

1. The failure or violation of the security of the “insured entity’s” “system” including the impairment or denial of access to the “insured

entity’s” “system”, a “Cyber Attack” or unauthorized acts or omissions by a “rogue employee” which damages or harms the “insured entity’s” “system” or the “system” of a third party for whom the “insured entity” provides “services” for a fee;

2. The theft or loss of hardware or “media” controlled by, or on behalf of, an “insured entity” on which “data” is stored; or
3. The failure to disclose an event in 1. or 2. above which violates any “breach notice law”.

**AA. “Services”** means “computer” time, “data” processing, storage functions or other uses of an “insured’s” “system”.

**BB. “Subsidiary”** means:

1. Any entity in which an “insured entity” owns more than fifty percent (50%) of the outstanding securities representing the right to vote for election of or to appoint directors, trustees, managers, member of the Board of Managers or equivalent positions of such entity are owned or controlled by the “named insured”, directly or through one or more “subsidiaries”; or
2. Any entity while:
  - a. Exactly fifty percent (50%) of the securities representing the right to vote for election of or to appoint directors, trustees, managers, members of the Board of Managers, or equivalent positions of such entity are owned, or controlled by the “named insured”, directly or through one or more “subsidiaries”; and
  - b. The “named insured”, pursuant to a written contract with the owners of the remaining and outstanding voting stock of such entity, solely controls the management and operation of such entity; or
3. Any foundation or charitable trust while such entity is controlled by the “named insured”.

Coverage shall apply to a “subsidiary” only during the time it qualifies as a “subsidiary”.

**CC. “System”** means a “computer”, “media” and all input, output, processing storage and communication devices controlled, supervised or accessed by the operation software that is proprietary to, or licensed to, the owner of the “computer”.

**DD. “System Output”** means a tangible substance on which “private personal data” is printed from a “System”.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ILLINOIS AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

### CYBER LIABILITY COVERAGE PART

**A. SECTION VII – CONDITIONS**, Paragraph **I.** is replaced by the following:

#### **I. Cancellation And Non-Renewal**

1. If we decide to cancel this Coverage Part in the first 60 days, we will mail:

- a. 10 days' written notice of cancellation for nonpayment of premium; or
- b. 30 days' written notice of cancellation for any other reason.

If this Coverage Part has been in effect for 60 days or more or is a renewal of a Coverage Part we issued, then we will mail:

- c. 10 days' written notice of cancellation for nonpayment of premium; or
- d. 60 days' written notice of cancellation for one for more of the following reasons:

- (1) The Coverage Part was obtained through a material representation;
- (2) Any insured violated any of the terms and conditions of the policy;
- (3) The risk originally accepted has measurably increased;
- (4) Certification is provided to the Director of Insurance in Illinois of the loss of reinsurance by us which provided coverage to us for a substantial part of the underlying risk insured; or
- (5) A determination is made by the Director of Insurance in Illinois that the continuation of the policy could place us in violation of the insurance laws of Illinois.

Cancellation notices will state the reason for cancellation and will be mailed to the "named insured" and the agent or broker of record at the last addresses known to us. We will maintain proof of mailing on a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office or other commercial mail delivery service.

2. If we decide not to renew this Coverage Part, we will mail or deliver written notice not less than 60 days before the expiration date to the "named insured" shown in the Declarations and to the agent or broker of record at the last addresses known to us. Notice will provide an explanation of the reason for nonrenewal. We will maintain proof of mailing on a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office or other commercial mail delivery service.

For the purposes of the Cancellation and Nonrenewal provisions, the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this Coverage Part. The words "we", "us" and "our" refer to the company providing this insurance.

- B.** The following is added to **SECTION VIII – EXTENDED REPORTING PERIODS**, Paragraph **D.4.**:

The percentage in the table will be applied to the expiring annual premium.

- C.** Wherever the term spouse appears in this Coverage Part or in any endorsement thereto, it shall include a party to a civil union.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.



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CL 0120 10 08  
Page 1 of 3

This endorsement changes  
the policy  
-- PLEASE READ THIS CAREFULLY --

## AMENDATORY ENDORSEMENT ILLINOIS

1. The following applies only to property policies issued to cover one-to-four family residential real or personal property:

Under Common Policy Conditions, Cancellation is deleted and replaced by the following:

**Cancellation** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel this policy by mailing "our" written notice of cancellation to "you" and any mortgagee or lienholder at the last mailing address known to "us". "Our" notice will include the reason or reasons for cancellation. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record. Proof of mailing is sufficient proof of notice.

If this policy has been in effect for 60 days or less, "we" may cancel for any reason.

If this policy has been in effect more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel if one or more of the following reasons apply:

- a. the premium has not been paid when due;
- b. the policy was obtained by misrepresentation or fraud; or
- c. there has been an act that measurably increases the risk originally accepted.

If "we" cancel for nonpayment of premium, "we" will mail the cancellation notice at least ten days before the effective date of cancellation.

If "we" cancel for any reason other than nonpayment of premium, "we" will mail the cancellation notice at least 30 days before the effective date of cancellation.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

2. The following applies only to property policies issued to cover real property other than one-to-four family residential property:

Under Common Policy Conditions, Cancellation is deleted and replaced by the following:

### **Cancellation**

- a. "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.
- b. "We" may cancel this policy by mailing "our" written notice of cancellation to "you" and any mortgagee or lienholder at the last mailing address known to "us". "Our" notice will include the reason or reasons for cancellation. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record. Proof of mailing is sufficient proof of notice.
- c. "We" may cancel this policy at any time during the policy period if the premium has not been paid. "We" will mail the cancellation notice at least ten days before the effective date of cancellation.

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**Page 2 of 3**

- d. "We" may cancel this policy at any time during the policy period, if the insured property consists of one or more buildings:
- 1) to which, following a fire loss, permanent repairs have not commenced within 60 days after satisfactory adjustment of loss, unless such delay is a direct result of a labor dispute or weather conditions;
  - 2) that have been unoccupied for 60 consecutive days, except buildings which have a seasonal occupancy and buildings which are undergoing construction, repair, or reconstruction and are properly secured against unauthorized entry;
  - 3) for which, because of their physical condition, there is an outstanding demolition order, or which have been declared unsafe in accordance with applicable law; or
  - 4) to which heat, water, sewer service, or public lighting have not been connected for 30 consecutive days or more.

If "we" cancel this policy for reasons listed under d.1) through d.4) above, cancellation will be effective ten days after "you" and any mortgagee or lienholder have received "our" notice. The notice of cancellation will be sent by regular mail and certified mail, and "your" return premium, if any, will be calculated on a pro rata basis.

- e. If this policy has been in effect for 60 days or less, "we" may cancel for any reason. "We" will mail the cancellation notice at least 30 days before the effective date of cancellation for cancellation other than described in c. or d. above.
- f. If this policy has been in effect more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel if one or more of the following reasons apply:

- 1) the policy was obtained through a material misrepresentation;
- 2) any "insured" has violated any of the "terms" and conditions of the policy;
- 3) the risk originally accepted has measurably increased;
- 4) certification of the Director of the loss of reinsurance which provided coverage to "us" for all or a substantial part of the underlying risk insured; or
- 5) a determination by the Director that the continuation of the policy could place "us" in violation of the insurance laws of this state.

If "we" cancel for any of these reasons, "we" will mail the cancellation notice at least 60 days before the effective date of cancellation.

- g. "Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

3. If 1. or 2. above do not apply, under Common Policy Conditions, Cancellation is deleted and replaced by the following:

**Cancellation** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel this policy by mailing "our" written notice of cancellation to "you" and any mortgagee or lienholder at the last mailing address known to "us". "Our" notice will include the reason or reasons for cancellation. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record. Proof of mailing is sufficient proof of notice.

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If this policy has been in effect for 60 days or less, "we" may cancel for any reason. If "we" cancel for any reason other than nonpayment of premium, "we" will mail the cancellation notice at least 30 days before the effective date of cancellation.

If this policy has been in effect more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel if one or more of the following reasons apply:

- a. the premium has not been paid when due;
- b. the policy was obtained through a material misrepresentation;
- c. any "insured" has violated any of the "terms" and conditions of the policy;
- d. the risk originally accepted has measurably increased;
- e. certification of the Director of the loss of reinsurance which provided coverage to "us" for all or a substantial part of the underlying risk insured; or
- f. a determination by the Director that the continuation of the policy could place "us" in violation of the insurance laws of this state.

If "we" cancel for nonpayment of premium, "we" will mail the cancellation notice at least ten days before the effective date of cancellation.

If "we" cancel this policy for any reason other than nonpayment of premium when it has been in effect for more than 60 days, "we" will mail the cancellation notice at least 60 days before the effective date of cancellation.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

4. Under Common Policy Conditions, the following condition is added:

**Nonrenewal --**

If "we" decide not to renew this policy, "we" will mail "our" notice of nonrenewal to "you" at least 60 days before the end of the policy period. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record and any mortgagee or lienholder at the last mailing address known to "us". Proof of mailing is sufficient proof of notice. "Our" notice will include the reasons for nonrenewal.

5. Under Common Policy Conditions, the following condition is added:

**Renewal --** If "we" decide to renew this policy with premium increases of 30% or higher, or impose changes in deductible or coverage that materially alter the policy, "we" will mail to "you" written notice of such increase or change in deductible or coverage at least 60 days before the renewal or anniversary date. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record. Proof of mailing is sufficient proof of notice. The 60-day prior notification because of premium increase is not necessary where increases exceeding 30% are due to changed conditions or increased or broadened coverage initiated by "you".

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**CL 0120 10 08**

AAIS  
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Page 1 of 1

This endorsement changes  
the policy  
-- PLEASE READ THIS CAREFULLY --

## CERTIFIED TERRORISM LOSS

1. The following definitions are added.
  - a. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States:
    - 1) to be an act of terrorism;
    - 2) to be a violent act or an act that is dangerous to human life, property, or infrastructure;
    - 3) to have resulted in damage:
      - a) within the United States; or
      - b) to an air carrier (as defined in section 40102 of title 49, United States Code); to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or at the premises of any United States mission;
    - 4) to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion; and
    - 5) to have resulted in insured losses in excess of five million dollars in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended.
  - b. "Certified terrorism loss" means loss that results from a "certified act of terrorism".
2. The "terms" of any terrorism exclusion that is part of or that is attached to this Coverage Part are amended by the following provision:
 

This exclusion does not apply to "certified terrorism loss".
3. The following provision is added.
 

If the Secretary of the Treasury determines that the aggregate amount of "certified terrorism loss" has exceeded one hundred billion dollars in a calendar year (January 1 through December 31), and "we" have met "our" insurer deductible under the Terrorism Risk Insurance Act, as amended, "we" will not pay for any portion of "certified terrorism loss" that exceeds one hundred billion dollars. If the "certified terrorism loss" exceeds one hundred billion dollars in a calendar year (January 1 through December 31), losses up to one hundred billion dollars are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury under the Terrorism Risk Insurance Act, as amended.
4. The following provisions are added.
  - a. Neither the "terms" of this endorsement nor the "terms" of any other terrorism endorsement attached to this Coverage Part provide coverage for any loss that would otherwise be excluded by this Coverage Part under:
    - 1) exclusions that address war, military action, or nuclear hazard; or
    - 2) any other exclusion; and
  - b. the absence of any other terrorism endorsement does not imply coverage for any loss that would otherwise be excluded by this Coverage Part under:
    - 1) exclusions that address war, military action, or nuclear hazard; or
    - 2) any other exclusion.

CL 0600 01 15

AAIS  
CL 0700 10 06  
Page 1 of 1

This endorsement changes  
the policy  
-- PLEASE READ THIS CAREFULLY --

## VIRUS OR BACTERIA EXCLUSION

### DEFINITIONS

#### Definitions Amended --

When "fungus" is a defined "term", the definition of "fungus" is amended to delete reference to a bacterium.

When "fungus or related perils" is a defined "term", the definition of "fungus or related perils" is amended to delete reference to a bacterium.

### PERILS EXCLUDED

The additional exclusion set forth below applies to all coverages, coverage extensions, supplemental coverages, optional coverages, and endorsements that are provided by the policy to which this endorsement is attached, including, but not limited to, those that provide coverage for property, earnings, extra expense, or interruption by civil authority.

1. The following exclusion is added under Perils Excluded, item 1.:

#### Virus or Bacteria --

"We" do not pay for loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

This exclusion applies to, but is not limited to, any loss, cost, or expense as a result of:

- a. any contamination by any virus, bacterium, or other microorganism; or
- b. any denial of access to property because of any virus, bacterium, or other microorganism.

2. **Superseded Exclusions** -- The Virus or Bacteria exclusion set forth by this endorsement supersedes the "terms" of any other exclusions referring to "pollutants" or to contamination with respect to any loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

### OTHER CONDITIONS

#### Other Terms Remain in Effect --

The "terms" of this endorsement, whether or not applicable to any loss, cost, or expense, cannot be construed to provide coverage for a loss, cost, or expense that would otherwise be excluded under the policy to which this endorsement is attached.

CL 0700 10 06



**COMMERCIAL INLAND MARINE**  
**CM 00 01 09 04**

## COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

### LOSS CONDITIONS

#### A. Abandonment

There can be no abandonment of any property to us.

#### B. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

#### C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.

10. Cooperate with us in the investigation or settlement of the claim.

#### D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

#### E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of the loss; or
- b. An appraisal award has been made.

6. We will not be liable for any part of a loss that has been paid or made good by others.

#### **F. Other Insurance**

- 1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
- 2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

#### **G. Pair, Sets Or Parts**

##### **1. Pair Or Set**

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

##### **2. Parts**

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

#### **H. Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

#### **I. Reinstatement Of Limit After Loss**

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

#### **J. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- 1. Prior to a loss to your Covered Property.
- 2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance; or
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you.

This will not restrict your insurance.

#### **GENERAL CONDITIONS**

##### **A. Concealment, Misrepresentation Or Fraud**

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

- 1. This Coverage Part;
- 2. The Covered Property;
- 3. Your interest in the Covered Property; or
- 4. A claim under this Coverage Part.

##### **B. Control Of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

##### **C. Legal Action Against Us**

No one may bring a legal action against us under this Coverage Part unless:

- 1. There has been full compliance with all the terms of this Coverage Part; and
- 2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

**D. No Benefit To Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**E. Policy Period, Coverage Territory**

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

**F. Valuation**

The value of property will be the least of the following amounts:

1. The actual cash value of that property;

2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

COMMERCIAL INLAND MARINE  
CM 01 50 03 10

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES – ARTIFICIALLY GENERATED CURRENT EXCLUSION**

This endorsement modifies insurance provided under the following:

CAMERA AND MUSICAL INSTRUMENT DEALERS COVERAGE FORM  
EQUIPMENT DEALERS COVERAGE FORM  
FLOOR PLAN COVERAGE FORM  
PHYSICIANS AND SURGEONS EQUIPMENT COVERAGE FORM  
SIGNS COVERAGE FORM  
THEATRICAL PROPERTY COVERAGE FORM

**A. The exclusion set forth in:**

- Paragraph **B.2.h.** of the Camera And Musical Instrument Dealers Coverage Form and the Theatrical Property Coverage Form;
- Paragraph **B.2.f.** of the Equipment Dealers Coverage Form;
- Paragraph **B.2.e.** of the Physicians And Surgeons Equipment Coverage Form; and
- Paragraph **B.2.d.** of the Floor Plan Coverage Form;

is replaced by the following:

Artificially generated current creating a short circuit or other electric disturbance within an article covered under this coverage form.

But if artificially generated current, as described above, results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this coverage form.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

**B. In the Signs Coverage Form, Exclusion **B.2.d.** is replaced by the following:**

- d.** Artificially generated current creating a short circuit or other electric disturbance within an article covered under this coverage form.

But if artificially generated current, as described above, results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this coverage form.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

IM 202 07 05

This endorsement changes the  
Contractors' Equipment Coverage  
-- PLEASE READ THIS CAREFULLY --

Page 1 of 1

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## DEDUCTIBLE WAIVER FOR LOJACK BRAND PROTECTION SYSTEM

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### HOW MUCH WE PAY

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The following is added under How Much We Pay:

In the event of a theft "loss" we agree to waive your deductible amount up to \$25,000 if any piece of stolen equipment is protected by an operational LoJack Stolen Vehicle Police Recovery System.

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### WHAT MUST BE DONE IN CASE OF LOSS

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The following two provisions are added to What Must Be Done In Case Of Loss:

You must work with the police (having jurisdiction in the area which the theft occurred) to ensure that the piece of equipment is entered as a vehicle into their computer system.

You must call LoJack toll free at (877) 775-6522 and provide the Corporate Construction Administrator with the same information you provided the local law enforcement agency (including the police report case number).

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IM202 07 05



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This endorsement changes  
the policy  
-- PLEASE READ THIS CAREFULLY --

## AMENDATORY ENDORSEMENT ILLINOIS

1. Under Definitions, item b. of Pollutants is deleted.
2. Under Coverage Extensions, Defense Costs, if applicable, is amended as follows:
  - a. Paragraph a. Coverage is deleted and replaced by the following:
    - a. **Coverage** -- "We" have the right and duty to defend any "suit" brought against "you" as a result of damage to covered property caused by a covered loss. "We" may investigate and settle a claim or "suit".
  - b. Under paragraph d., item 4) is deleted and replaced by the following:
    - 4) expenses that "you" incur for expert testimony or court-ordered arbitration or mediation;
  - c. The following paragraph is added:
 

The expenses "we" incur under Defense Costs will not reduce the applicable "limit" for coverage described under Property Covered.
3. Under Perils Excluded, Criminal, Fraudulent, Dishonest, Or Illegal Acts is amended to include the following:
 

However, if the loss is caused by an act arising out of a pattern of criminal domestic violence and the perpetrator of the loss is criminally prosecuted for the act causing the loss, this exclusion does not apply to an otherwise covered loss suffered by another insured who did not cooperate in or contribute to the act that caused the loss.

Subject to the "terms" under How Much We Pay and all other "terms" of this policy, "our" payment to an insured who did not cooperate in or contribute to the act that caused the loss may be limited to the claimant's
4. Under Other Conditions, Misrepresentation, Concealment, Or Fraud is deleted and replaced by the following:
 

**Misrepresentation, Concealment, Or Fraud** -- "We" do not provide coverage for an insured who has:

  - a. willfully concealed or misrepresented:
    - 1) a material fact or circumstance with respect to this insurance; or
    - 2) an insured's interest herein; or
  - b. engaged in fraudulent conduct or sworn falsely with respect to this insurance or the subject thereof.
5. Under Other Conditions, Subrogation is amended to include the following:
 

An innocent insured who is the subject of criminal domestic violence by another insured cannot waive his or her right to recover. "We" retain all rights set forth by this Subrogation condition with regard to "our" right to recover, up to the amount "we" pay, for loss caused by an act of criminal domestic violence.
6. In all coverage forms except Cold Storage Locker Coverage, Contingent Cargo Coverage, Motor Truck Cargo Legal Liability Coverage, Riggers' Legal Liability Coverage, and Warehouse Legal Liability Coverage, under Other Conditions, Suit Against Us is amended to include the following:
 

However, this period is extended by the number of days between the date proof of loss is submitted and the claim is denied in whole or in part.

IM 2027 08 09

## CONTRACTORS' EQUIPMENT COVERAGE

### AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Contractors' Equipment Coverage. This coverage is also subject to the "schedule of coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.

### DEFINITIONS

1. The words "you" and "your" mean the persons or organizations named as the insured on the declarations.
2. The words "we", "us", and "our" mean the company providing this coverage.
3. "Contractors' equipment" means machinery, equipment, and tools of a mobile nature that "you" use in "your" contracting, installation, erection, repair, or moving operations or projects.

"Contractors' equipment" also means:

- a. self-propelled vehicles designed and used primarily to carry mounted equipment; or

- b. vehicles designed for highway use that are unlicensed and not operated on public roads.
4. "Equipment schedule" means a schedule of "contractors' equipment" that is attached to this policy and that describes each piece of covered equipment.
5. "Jobsite" means any location, project, or work site where "you" are in the process of construction, installation, erection, repair, or moving.
6. "Limit" means the amount of coverage that applies.
7. "Pollutant" means:
  - a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
  - b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.
8. "Schedule of coverages" means:
  - a. all pages labeled schedule of coverages or schedules which pertain to this coverage; and
  - b. declarations or supplemental declarations which pertain to this coverage.
9. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.

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10. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to:

- a. personal property in the open; or
- b. the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roofs or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

11. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.

12. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow.

Volcanic action does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss to the covered property.

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## PROPERTY COVERED

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"We" cover the following property unless the property is excluded or subject to limitations.

### 1. Scheduled Equipment --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:
  - 1) "your" "contractors' equipment"; and

- 2) "contractors' equipment" of others in "your" care, custody, or control.

b. **Coverage Limitation** -- "We" only cover "your" "contractors' equipment" and "contractors' equipment" of others:

- 1) that are described on the "equipment schedule"; and
- 2) when Scheduled Equipment is indicated on the "schedule of coverages".

### 2. Schedule On File --

a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:

- 1) "your" "contractors' equipment"; and
- 2) "contractors' equipment" of others in "your" care, custody, or control.

b. **Coverage Limitation** -- "We" only cover "your" "contractors' equipment" and "contractors' equipment" of others:

- 1) that are listed in a schedule which "you" must submit to "us" and "we" keep on file, the schedule must contain a description of each item to be covered and a "limit" for each item; and
- 2) when Schedule on File is indicated on the "schedule of coverages".

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## PROPERTY NOT COVERED

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1. **Aircraft Or Watercraft** -- "We" do not cover aircraft or watercraft.
2. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.
3. **Leased Or Rented Property** -- "We" do not cover property that "you" lease or rent to others.

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4. **Loaned Property** -- "We" do not cover property that "you" loan to others.
5. **Underground Mining Operations** -- "We" do not cover property while stored or operated underground in connection with any mining operations.
6. **Vehicles** -- "We" do not cover automobiles, motor trucks, tractors, trailers, and similar conveyances designed for highway use and used for over the road transportation of people or cargo. However, this does not include:
  - a. self-propelled vehicles designed and used primarily to carry mounted equipment; or
  - b. vehicles designed for highway use that are unlicensed and not operated on public roads.
7. **Waterborne Property** -- "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.

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## **COVERAGE EXTENSIONS**

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**Provisions That Apply To Coverage Extensions** -- The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Coverage Extension, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage including a Coverage Extension or Supplemental Coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following coverage extensions are not subject to and not considered in applying coinsurance conditions.

### **Debris Removal --**

1. **Coverage** -- "We" pay the cost to remove the debris of covered property that is caused by a covered peril.
2. **We Do Not Cover** -- This coverage does not include costs to:
  - a. extract "pollutants" from land or water; or
  - b. remove, restore, or replace polluted land or water.
3. **Limit** -- "We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.
4. **Additional Limit** -- "We" pay up to an additional \$5,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.
5. **You Must Report Your Expenses** -- "We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.

## SUPPLEMENTAL COVERAGES

### Provisions That Apply To Supplemental Coverages

-- The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Coverage, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.

The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension including a Supplemental Coverage or Coverage Extension that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following supplemental coverages are not subject to and not considered in applying coinsurance conditions.

### 1. Employee Tools --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to tools owned by "your" employees.
- b. **Coverage Limitation** -- "We" only cover tools owned by "your" employees while at a:
  - 1) premises that "you" own or operate; or
  - 2) "jobsite".
- c. **Limit** -- The most "we" pay in any one occurrence for loss to employee tools is \$5,000.

### 2. Equipment Leased Or Rented From Others --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to "contractors' equipment" that "you" have leased or rented from others.
- b. **Limit** -- The most "we" pay in any one occurrence for equipment leased or rented from others is \$25,000.

### 3. Newly Purchased Property --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to additional "contractors' equipment" that "you" purchase during the policy period.
- b. **Limit** -- The most that "we" pay for any loss under this supplemental coverage is the least of the:
  - 1) actual cash value of the covered property; or
  - 2) "limit" for newly purchased property indicated on the "schedule of coverages". If no "limit" is indicated, then 30% of the Catastrophe Limit indicated on the "schedule of coverages" applies to this coverage.

- c. **Time Limitation** -- "We" extend coverage to the additional "contractors' equipment" that "you" purchase for up to 60 days.

This supplemental coverage will end when any of the following first occur:

- 1) this policy expires;
- 2) 60 days after "you" obtain the additional "contractors' equipment"; or
- 3) "you" report the additional "contractors' equipment" to "us".

- d. **Additional Premium** -- "You" must pay any additional premium due from the date "you" purchase the additional "contractors' equipment".

4. **Pollutant Cleanup And Removal** --

- a. **Coverage** -- "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period.
- b. **Time Limitation** -- The expenses to extract "pollutants" are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.
- c. **We Do Not Cover** -- "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants".

However, "we" pay the cost of testing which is necessary for the extraction of "pollutants" from land or water.

- d. **Limit** -- The most "we" pay for each location is \$25,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

5. **Rental Reimbursement** --

- a. **Coverage** -- In the event of a direct physical loss by a covered peril to "your" "contractors' equipment", "we" reimburse "you" for "your" expense to rent similar equipment while "your" equipment is inoperable.

The deductible amount indicated on the "schedule of coverages" does not apply to a loss covered under this supplemental coverage.

- b. **Waiting Period** -- "We" will not reimburse "you" for the rental of equipment until after the first 72-hours (unless otherwise indicated on the "schedule of coverages") following the direct physical loss to "your" "contractors' equipment" caused by a covered peril.

- c. **Incurred Rental Expenses** -- After the waiting period has passed, "we" will only reimburse "you" for the rental expenses that "you" actually incur.

- d. **Coverage After Expiration Date** -- "We" will continue to reimburse "you" for the rental of equipment after the expiration date of this coverage, provided the loss occurred before the expiration date.

- e. **Coverage Limitations** -- "We" will not reimburse "you":

- 1) if "you" can continue or resume "your" operations with similar equipment that is available to "you" at no additional expense to "you"; or
- 2) for the rental expense of any equipment unless "you" make every reasonable effort to repair, replace, or rebuild the inoperable equipment after the loss by a covered peril occurs.

- f. **Limit** -- The most "we" reimburse "you" in any one occurrence for rental expenses is \$5,000.



## 6. Spare Parts And Fuel --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:
  - 1) spare parts and accessories for "contractors' equipment"; and
  - 2) fluids for vehicles and "contractors' equipment"; fluids include gasoline, oil, and hydraulic fluid.
- b. **Limit** -- The most "we" pay in any one occurrence for loss to spare parts and accessories is \$5,000.

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## PERILS COVERED

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"We" cover risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

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## PERILS EXCLUDED

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1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.
  - a. **Civil Authority** -- "We" do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- b. **Nuclear Hazard** -- "We" do not pay for loss caused by or resulting from a nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct loss by fire resulting from the nuclear hazard is covered.
- c. **War And Military Action** -- "We" do not pay for loss caused by:
  - 1) war, including undeclared war or civil war; or
  - 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
  - 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War and Military Action Exclusion will apply in place of the Nuclear Hazard Exclusion.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following:
  - a. **Contamination or Deterioration** -- "We" do not pay for loss caused by contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in the covered property that causes it to damage or destroy itself.

But if contamination or deterioration results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

- b. **Criminal, Fraudulent, Dishonest Or Illegal Acts** -- "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:
- 1) "you";
  - 2) others who have an interest in the property;
  - 3) others to whom "you" entrust the property;
  - 4) "your" partners, officers, directors, trustees, joint venturers, or "your" members or managers if "you" are a limited liability company; or
  - 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- c. **Loss Of Use** -- "We" do not pay for loss caused by or resulting from loss of use, delay, or loss of market.
- d. **Mechanical Breakdown** -- "We" do not pay for loss caused by any mechanical, structural, or electrical breakdown or malfunction including a breakdown or malfunction resulting from a structural, mechanical, or reconditioning process.
- But if a mechanical, structural, or electrical breakdown or malfunction results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

- e. **Missing Property** -- "We" do not pay for missing property where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- f. **Pollutants** -- "We" do not pay for loss caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":
- 1) unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril"; or
  - 2) except as specifically provided under the Supplemental Coverages - Pollutant Cleanup and Removal.

"We" do cover any resulting loss caused by a "specified peril".

- g. **Temperature/Humidity** -- "We" do not pay for loss caused by dryness, dampness, humidity, or changes in or extremes of temperature.

But if dryness, dampness, humidity, or changes in or extremes of temperature results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

- h. **Voluntary Parting** -- "We" do not pay for loss caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.

- i. **Wear And Tear** -- "We" do not pay for loss caused by wear and tear, marring, or scratching.

But if wear and tear, marring, or scratching results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

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## WHAT MUST BE DONE IN CASE OF LOSS

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1. **Notice** -- In case of a loss, "you" must:

- a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
- b. give notice to the police when the act that causes the loss is a crime.

2. **You Must Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.

- a. **Payment of Reasonable Costs** -- "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. "Our" payment of reasonable costs does not increase the "limit".
- b. **We Do Not Pay** -- "We" do not pay for such repairs or emergency measures performed on property which has not been damaged by a peril insured against.

3. **Proof Of Loss** -- "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:

- a. the time, place, and circumstances of the loss;
- b. other policies of insurance that may cover the loss;
- c. "your" interest and the interests of all others in the property involved, including all mortgages and liens;
- d. changes in title of the covered property during the policy period; and
- e. estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.

4. **Examination** -- "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.

5. **Records** -- "You" must produce records, including tax returns and bank microfilms of all canceled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.

6. **Damaged Property** -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.

7. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.

8. **Abandonment** -- "You" may not abandon the property to "us" without "our" written consent.

9. **Cooperation** -- "You" must cooperate with "us" in performing all acts required by this policy.

## VALUATION

1. **Actual Cash Value** -- The value of covered property will be based on the actual cash value at the time of the loss (with a deduction for depreciation) unless replacement cost is indicated on the "schedule of coverages".
2. **Replacement Cost** -- The value of covered property will be based on the replacement cost without any deduction for depreciation unless Actual Cash Value is indicated on the "schedule of coverages".
  - a. **Replacement Cost Limitation** -- The replacement cost is limited to the cost of repair or replacement with similar materials and used for the same purpose. The payment will not exceed the amount "you" spend to repair or replace the damaged or destroyed property.
  - b. **Replacement Cost Does Not Apply Until Repair Or Replacement** -- Replacement cost valuation does not apply until the damaged or destroyed property is repaired or replaced.
  - c. **Time Limitation** -- "You" may make a claim for actual cash value before repair or replacement takes place, and later for the replacement cost if "you" notify "us" of "your" intent within 180 days after the loss.
3. **Pair Or Set** -- The value of a lost or damaged article which is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
4. **Loss To Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

## HOW MUCH WE PAY

1. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.
2. **Flat Deductible** -- "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" in any one occurrence unless Percentage Deductible is indicated on the "schedule of coverages".
3. **Percentage Deductible** -- When a percentage deductible is indicated on the "schedule of coverages", "we" pay only that part of "your" loss over the deductible amount as determined below.
  - a. **Determining The Deductible Amount** -- The deductible amount is determined by applying the percentage indicated on the "schedule of coverages" to the value of the covered property that is involved in the loss. The value is determined by the provisions described under the Valuation section of this policy.
  - b. **Two Or More Items** -- If a loss involves two or more pieces of equipment, the percentage indicated on the "schedule of coverages" will apply only to the covered property with the highest value.
  - c. **Minimum and Maximum Deductible** -- The percentage deductible will not exceed the Maximum Deductible amount and will not be less than the Minimum Deductible amount indicated on the "schedule of coverages".
4. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 3., 5., 6., and 7. under How Much We Pay, "we" pay the lesser of:
  - a. the amount determined under Valuation;

- b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
    - c. the "limit" that applies to the covered property. However, the most "we" pay for loss in any one occurrence is the Catastrophe Limit indicated on the "schedule of coverages".
5. **Coinsurance --**
  - a. **When Coinsurance Applies --** "We" only pay a part of the loss if the "limit" is less than the percentage of the value of the covered property that is indicated on the "schedule of coverages".
  - b. **How We Determine Our Part Of The Loss --** "Our" part of the loss is determined using the following steps:
    - 1) multiply the percent indicated on the "schedule of coverages" by the value of the covered property at the time of loss;
    - 2) divide the "limit" for covered property by the result determined in b.1) above;
    - 3) multiply the total amount of loss, after the application of any deductible, by the result determined in b.2) above.

The most "we" pay is the amount determined in b.3) above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.
  - c. **If There Is More Than One Limit --** If there is more than one "limit" indicated on the "schedule of coverages" for this coverage part, this procedure applies separately to each "limit".
  - d. **If There Is Only One Limit --** If there is only one "limit" indicated on the "schedule of coverages" for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.
- e. **When Coinsurance Does Not Apply --** Conditions for coinsurance do not apply unless a coinsurance percentage is indicated on the "schedule of coverages".
6. **Insurance Under More Than One Coverage --** If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.
7. **Insurance Under More Than One Policy --**
  - a. **Proportional Share --** "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.
  - b. **Excess Amount --** If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit".

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## LOSS PAYMENT

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1. **Loss Payment Options --**
  - a. **Our Options --** In the event of loss covered by this coverage form, "we" have the following options:
    - 1) pay the value of the lost or damaged property;
    - 2) pay the cost of repairing or replacing the lost or damaged property;

- 3) rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
    - 4) take all or any part of the property at the agreed or appraised value.
  - b. **Notice Of Our Intent To Rebuild, Repair, Or Replace** -- "We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.
2. **Your Losses** --
- a. **Adjustment And Payment Of Loss** -- "We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy.
  - b. **Conditions For Payment Of Loss** -- An insured loss will be payable 30 days after:
    - 1) a satisfactory proof of loss is received, and
    - 2) the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".
3. **Property Of Others** --
- a. **Adjustment And Payment of Loss To Property of Others** -- Losses to property of others may be adjusted with and paid to:
    - 1) "you" on behalf of the owner; or
    - 2) the owner.
  - b. **We Do Not Have To Pay You If We Pay The Owner** -- If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits brought by the owners at "our" expense.

## REPORTING CONDITIONS

**Equipment Leased Or Rented From Others** -- If indicated on the "schedule of coverages", the following reporting conditions apply.

1. **Reports** --
  - a. **You Will Report To Us** -- Within 30 days after the end of the policy period, "you" will report to "us" the total amount of "your" expenditures for "contractors' equipment" that "you" lease or rent from others.
  - b. **Cancellation** -- If this policy is canceled, "you" will report the total amount of expenditures up to and including the date of cancellation.
2. **Premium Computation And Adjustment** --
  - a. The premium will be adjusted at the end of the policy period. The total computed premium will be determined by multiplying "your" total equipment expenditures by the reporting rate indicated on the "schedule of coverages" for Equipment Leased or Rented From Others.
  - b. "We" will compare the total computed premium to the deposit premium. If it is more than the deposit premium, "you" will pay "us" the difference. If it is less than the deposit premium, "we" will pay "you" the difference subject to the minimum premium indicated on the "schedule of coverages".
3. **Provisions That Affect How Much We Pay** -- The following provisions apply to reports that are submitted and may affect How Much We Pay:
  - a. **Failure To Submit Reports** -- If "you" have failed to submit the required reports or no report has been submitted, the most "we" will pay is 90% of the "limit".



- b. **Reported Values Are Less Than The Full Value** -- If "your" last report before a loss shows less than the actual value of "your" expenditures for "contractors' equipment" that "you" lease or rent from others, "we" will only pay a part of the loss. "We" will not pay a greater portion of the loss, prior to the application of the deductible, than the total expenditures "you" reported divided by "your" actual expenditures for "contractors' equipment" that "you" lease or rent from others during the reporting period.
- c. **We Will Not Pay More Than The Limit** -- "We" will not pay more than the applicable "limit" regardless of any reported value used in computing the premium.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Benefit to Others** -- Insurance under this coverage will not directly or indirectly benefit anyone having custody of "your" property.

3. **Conformity With Statute** -- When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.

4. **Estates** -- This provision applies only if the insured is an individual.

- a. **Your Death** -- On "your" death, "we" cover the following as an insured:

- 1) the person who has custody of "your" property until a legal representative is qualified and appointed; or
- 2) "your" legal representative.

This person or organization is an insured only with respect to property covered by this coverage.

- b. **Policy Period Is Not Extended** -- This coverage does not extend past the policy period indicated on the declarations.

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## OTHER CONDITIONS

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1. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

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5. **Misrepresentation, Concealment, Or Fraud** -- This coverage is void as to "you" and any other insured if, before or after a loss:
- a. "you" or any other insured have willfully concealed or misrepresented:
    - 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
    - 2) "your" interest herein.
  - b. there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.
6. **Policy Period** -- "We" pay for a covered loss that occurs during the policy period.
7. **Recoveries** -- If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
- a. "you" must notify "us" promptly if "you" recover property or receive payment;
  - b. "we" must notify "you" promptly if "we" recover property or receive payment;
  - c. any recovery expenses incurred by either are reimbursed first;
  - d. "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid or any lesser amount to which "we" agree; and
  - e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be pro rated between "you" and "us" based on "our" respective interest in the loss.
8. **Restoration Of Limits** -- A loss "we" pay under this coverage does not reduce the applicable "limit" unless it is a total loss to a scheduled item. In the event of a total loss to a scheduled item, "we" refund the unearned premium on that item.
9. **Subrogation** -- If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.
- "You" may waive "your" right to recover from others in writing before a loss occurs.
10. **Suit Against Us** -- No one may bring a legal action against "us" under this coverage unless:
- a. all of the "terms" of this coverage have been complied with; and
  - b. the suit has been brought within two years after "you" first have knowledge of the loss.
- If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.
11. **Territorial Limits** -- "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.

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## SCHEDULE OF COVERAGES CONTRACTORS EQUIPMENT

(The entries required to complete this schedule  
will be shown below or on the "schedule of coverages".)

### PROPERTY COVERED

(check one)

☒ Scheduled Equipment (Refer to Equipment Schedule)

☐ Schedule On File (Schedule Dated : \_\_\_\_\_)  
Limit

**Catastrophe Limit** -- The most "we" pay  
for loss in any one occurrence is:

\$ 60,000

### COVERAGE EXTENSIONS

Additional Debris Removal Expenses \$ 5,000

### SUPPLEMENTAL COVERAGES

Employee Tools \$ 5,000

Equipment Leased or Rented From Others \$ 25,000

Newly Purchased Equipment (check one)

☒ Percentage of Catastrophe Limit 30 %

☐ Dollar Limit \$ \_\_\_\_\_

Pollutant Cleanup and Removal  
Rental Reimbursement \$ 25,000

-- Reimbursement Limit \$ 5,000

-- Waiting Period 72 hrs.

Spare Parts and Fuel \$ 5,000

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## COINSURANCE

(check one)

☐ 80%    ☐ 90%    ☒ 100%    ☐ Other \_\_\_\_\_%

## REPORTING CONDITIONS

(check if applicable)

☐ Equipment Leased or Rented From Others

-- Reporting Rate \$ \_\_\_\_\_

-- Deposit Premium \$ \_\_\_\_\_

-- Minimum Premium \$

## VALUATION

(check if applicable)

☐ Actual Cash Value      ☒ Replacement Cost

☒ Indicated on Equipment Schedule

**DEDUCTIBLE**

(check one)

☒ Flat Deductible Amount      \$ 2,500

\$

☐ Percentage Deductible \_\_\_\_\_%

Maximum Ded Amount            \$

\$ \_\_\_\_\_

Minimum Ded Amount            \$

## OPTIONAL COVERAGES AND ENDORSEMENTS

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**EQUIPMENT SCHEDULE  
CONTRACTORS EQUIPMENT  
VALUATION BASIS**

(The entries required to complete this schedule  
will be shown below or on the "schedule of coverages".)

**SCHEDULED EQUIPMENT**

ACV = Actual Cash Value      RP = Replacement Cost  
AA = Agreed Amount

Item #	Description of Equipment		
1	2009 T 300 Fork Lift S#035254		
	Limit \$ <u>60,000</u>	Valuation	RC

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## SCHEDULED PROPERTY FLOATER

In this coverage form, the words "you" and "your" mean the persons or organizations named as the insured on the declarations and the words "we", "us", and "our" mean the company providing this coverage.

Refer to the Definitions section at the end of this coverage form for additional words and phrases that have special meaning. These words and phrases are shown in quotation marks.

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### AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Scheduled Property Floater. This coverage is also subject to the "schedule of coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

---

### PROPERTY COVERED

"We" cover the following property unless the property is excluded or subject to limitations.

1. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:
  - a. "your" property; and
  - b. property of others in "your" care, custody, and control.

2. **Coverage Limitation** -- "We" only cover "your" property and property of others that are described on the "schedule of coverages".

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### PROPERTY NOT COVERED

1. **Aircraft Or Watercraft** -- "We" do not cover aircraft or watercraft.
2. **Buildings And Land** -- "We" do not cover buildings or land including land on which covered property is located.
3. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.
4. **Money And Securities** -- "We" do not cover accounts, bills, currency, food stamps, or other evidences of debt, lottery tickets not held for sale, money, notes, or securities.
5. **Vehicles** -- "We" do not cover automobiles or any self-propelled vehicles that are designed for highway use.
6. **Waterborne Property** -- "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.

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### COVERAGE EXTENSIONS

**Provisions That Apply To Coverage Extensions** -- The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.



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However, if no "limit" is indicated for a Coverage Extension within this coverage form, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage, including a Coverage Extension, Supplemental Coverage, or other coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following Coverage Extensions are not subject to and not considered in applying coinsurance conditions.

**Debris Removal --**

1. **Coverage** -- "We" pay the cost of debris removal. Debris removal means the costs for the demolition, clearing, and removal of debris of covered property if such debris results from a covered peril.
2. **We Do Not Cover** -- This coverage does not include costs to:
  - a. extract "pollutants" from land or water; or
  - b. remove, restore, or replace polluted land or water.
3. **Limit** -- "We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss or damage exclusive of the costs for debris removal. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.

4. **Additional Limit** -- "We" pay up to an additional \$5,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.

5. **You Must Report Your Expenses** -- "We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.

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**SUPPLEMENTAL COVERAGES**

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**Provisions That Apply To Supplemental Coverages** -- The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Coverage within this coverage form, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.

The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

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The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension, including a Supplemental Coverage, Coverage Extension, or other coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following Supplemental Coverages are not subject to and not considered in applying coinsurance conditions.

**1. Newly Acquired Property --**

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to additional property that:
  - 1) is similar to the property described on the "schedule of coverages"; and
  - 2) "you" acquire during the policy period.
- b. **Limit** -- The most that "we" pay for any loss under this supplemental coverage is the least of:
  - 1) the value of covered property as described in the Valuation section of this coverage form; or
  - 2) \$15,000.
- c. **Time Limitation** -- "We" extend coverage to the additional property that "you" acquire for up to 60 days.
 

This supplemental coverage will end when any of the following first occur:

  - 1) this policy expires;
  - 2) 60 days after "you" obtain the additional property; or
  - 3) "you" report the additional property to "us".
- d. **Additional Premium** -- "You" must pay any additional premium due from the date "you" acquire the additional property.

**2. Pollutant Cleanup And Removal --**

- a. **Coverage** -- "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period.
- b. **Time Limitation** -- The expenses to extract "pollutants" are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.
- c. **We Do Not Cover** -- "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants".
 

However, "we" pay the cost of testing that is necessary for the extraction of "pollutants" from land or water.
- d. **Limit** -- The most "we" pay for each location is \$10,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

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**PERILS COVERED**

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"We" cover risks of direct physical loss or damage unless the loss is limited or caused by a peril that is excluded.

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**PERILS EXCLUDED**

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1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

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- a. **Civil Authority** -- Order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- b. **Earth Movement** -- Any "earth movement".

However, if eruption, explosion, or effusion of a volcano results in "volcanic action", "we" will pay for the loss or damage caused by that "volcanic action".

If "earth movement" results in fire, "we" will pay for the loss or damage caused by that fire. If "earth movement" (other than eruption, explosion, or effusion of a volcano) results in explosion, "we" will pay for the loss or damage caused by that explosion.

This exclusion does not apply to covered property while in transit.

- c. **Flood** -- "Flood".

"We" also do not cover waterborne material carried or otherwise moved by "flood", whether or not driven by wind, including storm surge, or material carried or otherwise moved by mudslide or mudflow.

However, if "flood" results in fire, explosion, or sprinkler leakage, "we" will pay for the loss or damage caused by that fire, explosion, or sprinkler leakage.

This exclusion does not apply to covered property while in transit.

- d. **Nuclear Hazard** -- Nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct loss by fire resulting from the nuclear hazard is covered.

- e. **Sewer, Septic Tank, Sump, Or Drain Backup And Water Below The Surface** --

- 1) Water or waterborne material that backs up, overflows or is otherwise discharged through a sewer or drain, sump or septic tank, eaves trough or downspout; or
- 2) water or waterborne material below the surface of the ground, whether naturally or artificially occurring, including but not limited to water or waterborne material that exerts pressure on or flows, seeps, or leaks through or into a building or structure, sidewalk, driveway, foundation, swimming pool, or other structure.

But if sewer, drain, sump, septic tank, eaves trough, or downspout backup and water or waterborne material below the surface results in fire, explosion, or sprinkler leakage, "we" cover the loss or damage caused by that fire, explosion, or sprinkler leakage.

This exclusion does not apply to covered property while in transit.

- f. **War And Military Action** --

- 1) War, including undeclared war or civil war; or
- 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or

- 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War And Military Action exclusion will apply in place of the Nuclear Hazard exclusion.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following:

- a. **Contamination Or Deterioration --** "We" do not pay for loss or damage caused by or resulting from contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in the covered property that causes it to damage or destroy itself.
- b. **Criminal, Fraudulent, Dishonest, Or Illegal Acts --** "We" do not pay for loss or damage caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:
  - 1) "you";
  - 2) others who have an interest in the property;
  - 3) others to whom "you" entrust the property;
  - 4) "your" partners, officers, directors, trustees, joint venturers, or "your" members or managers if "you" are a limited liability company; or
  - 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- c. **Electrical Currents --** "We" do not pay for loss or damage caused by or resulting from arcing or by electrical currents other than lightning.

But if arcing or electrical currents other than lightning result in a "specified peril", "we" do cover the loss or damage caused by that "specified peril".

- d. **Explosion, Rupture, Or Bursting --** "We" do not pay for loss or damage caused by or resulting from explosion, rupture, or bursting of steam boilers, steam or gas turbines, steam pipes, or steam engines. This exclusion applies only to loss or damage to the steam boilers, steam or gas turbines, steam pipes, or steam engines in which the loss occurred.
- e. **Loss Of Use --** "We" do not pay for loss or damage caused by or resulting from loss of use, delay, or loss of market.
- f. **Mechanical Breakdown --** "We" do not pay for loss or damage caused by or resulting from any mechanical, structural, or electrical breakdown or malfunction including a breakdown or malfunction resulting from a structural, mechanical, or reconditioning process.
- g. **Missing Property --** "We" do not pay for missing property where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property.

This exclusion does not apply to covered property in the custody of a carrier for hire.

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- h. **Pollutants** -- "We" do not pay for loss or damage caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":

- 1) unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril"; or
- 2) except as specifically provided under the Supplemental Coverages - Pollutant Cleanup and Removal.

"We" do cover any resulting loss caused by a "specified peril".

- i. **Temperature/Humidity** -- "We" do not pay for loss or damage caused by or resulting from dryness, dampness, humidity, or changes in or extremes of temperature.

But if dryness, dampness, humidity, or changes in or extremes of temperature result in a "specified peril", "we" do cover the loss of damage caused by that "specified peril".

- j. **Theft From An Unattended Vehicle** -- "We" do not pay for theft from an unattended vehicle except when it is securely locked, its windows are fully closed, and there is visible evidence that entry into the vehicle was forced.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- k. **Voluntary Parting** -- "We" do not pay for loss or damage caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.

- l. **Wear And Tear** -- "We" do not pay for loss or damage caused by or resulting from wear and tear, marring, or scratching.

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## **WHAT MUST BE DONE IN CASE OF LOSS**

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1. **Notice** -- In case of a loss, "you" must:

- a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
- b. give notice to the police when the act that causes the loss is a crime.

2. **You Must Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.

- a. **Payment Of Reasonable Costs** -- "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. "Our" payment of reasonable costs does not increase the "limit".

- b. **We Do Not Pay** -- "We" do not pay for such repairs or emergency measures performed on property that has not been damaged by a peril insured against.

3. **Proof Of Loss** -- "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:

- a. the time, place, and circumstances of the loss;
- b. other policies of insurance that may cover the loss;

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- c. "your" interest and the interests of all others in the property involved, including all mortgages and liens;
  - d. changes in title of the covered property during the policy period; and
  - e. estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.
4. **Examination** -- "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.
5. **Records** -- "You" must produce records, including tax returns and bank microfilms of all canceled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
6. **Damaged Property** -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.
7. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
8. **Abandonment** -- "You" may not abandon the property to "us" without "our" written consent.
9. **Cooperation** -- "You" must cooperate with "us" in performing all acts required by this policy.

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**VALUATION**

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1. **Actual Cash Value** -- The value of covered property will be based on the actual cash value at the time of loss (with a deduction for depreciation).
2. **Pair Or Set** -- The value of a lost or damaged article that is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
3. **Loss To Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

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**HOW MUCH WE PAY**

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1. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.
2. **Deductible** -- "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" in any one occurrence.
3. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 4., 5., and 6. under How Much We Pay, "we" pay the lesser of:
  - a. the amount determined under Valuation;
  - b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
  - c. the "limit" that applies to the covered property.



4. **Coinsurance --**

- a. **When Coinsurance Applies --** "We" only pay a part of the loss if the "limit" is less than the percentage of the value of the covered property that is indicated on the "schedule of coverages".
- b. **How We Determine Our Part Of The Loss --** "Our" part of the loss is determined using the following steps:
  - 1) multiply the percent indicated on the "schedule of coverages" by the value of the covered property at the time of loss;
  - 2) divide the "limit" for covered property by the result determined in b.1) above;
  - 3) multiply the total amount of loss, after the application of any deductible, by the result determined in b.2) above.

The most "we" pay is the amount determined in b.3) above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

- c. **If There Is More Than One Limit --** If there is more than one "limit" indicated on the "schedule of coverages" for this coverage part, this procedure applies separately to each "limit".
- d. **If There Is Only One Limit --** If there is only one "limit" indicated on the "schedule of coverages" for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.
- e. **When Coinsurance Does Not Apply --** Conditions for coinsurance do not apply unless a coinsurance percentage is indicated on the "schedule of coverages".

5. **Insurance Under More Than One**

**Coverage --** If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.

6. **Insurance Under More Than One Policy --**

- a. **Proportional Share --** "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.
- b. **Excess Amount --** If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit".

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## LOSS PAYMENT

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1. **Loss Payment Options --**

- a. **Our Options --** In the event of loss covered by this coverage form, "we" have the following options:
  - 1) pay the value of the lost or damaged property;
  - 2) pay the cost of repairing or replacing the lost or damaged property;
  - 3) rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
  - 4) take all or any part of the property at the agreed or appraised value.

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- b. **Notice Of Our Intent To Rebuild, Repair, Or Replace** -- "We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.

2. **Your Losses** --

- a. **Adjustment And Payment Of Loss** -- "We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy.
- b. **Conditions For Payment Of Loss** -- An insured loss will be payable 30 days after:
- 1) a satisfactory proof of loss is received; and
  - 2) the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".

3. **Property Of Others** --

- a. **Adjustment And Payment Of Loss To Property Of Others** -- Losses to property of others may be adjusted with and paid to:
- 1) "you" on behalf of the owner; or
  - 2) the owner.
- b. **We Do Not Have To Pay You If We Pay The Owner** -- If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits brought by the owners at "our" expense.

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**OTHER CONDITIONS**

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1. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Benefit To Others** -- Insurance under this coverage will not directly or indirectly benefit anyone having custody of "your" property.

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3. **Conformity With Statute** -- When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.
4. **Estates** -- This provision applies only if the insured is an individual.
- a. **Your Death** -- On "your" death, "we" cover the following as an insured:
- 1) the person who has custody of "your" property until a legal representative is qualified and appointed; or
  - 2) "your" legal representative.
- This person or organization is an insured only with respect to property covered by this coverage.
- b. **Policy Period Is Not Extended** -- This coverage does not extend past the policy period indicated on the declarations.
5. **Misrepresentation, Concealment, Or Fraud** -- This coverage is void as to "you" and any other insured if, before or after a loss:
- a. "you" or any other insured have willfully concealed or misrepresented:
- 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
  - 2) "your" interest herein; or
- b. there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.
6. **Policy Period** -- "We" pay for a covered loss that occurs during the policy period.
7. **Recoveries** -- If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
- a. "you" must notify "us" promptly if "you" recover property or receive payment;
  - b. "we" must notify "you" promptly if "we" recover property or receive payment;
  - c. any recovery expenses incurred by either are reimbursed first;
  - d. "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid, or any lesser amount to which "we" agree; and
  - e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be pro rated between "you" and "us" based on "our" respective interest in the loss.
8. **Restoration Of Limits** -- A loss "we" pay under this coverage does not reduce the applicable "limits".
9. **Subrogation** -- If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.
- "You" may waive "your" right to recover from others in writing before a loss occurs.
10. **Suit Against Us** -- No one may bring a legal action against "us" under this coverage unless:
- a. all of the "terms" of this coverage have been complied with; and

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- b. the suit has been brought within two years after "you" first have knowledge of the loss.

If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.

11. **Territorial Limits** -- "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.

## DEFINITIONS

1. "Earth movement" means:

- a. earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. landslide, mudslide or mudflow;
- c. mine subsidence whether or not the non-natural mine is currently in use;
- d. any other movement of earth, including sinking (other than "sinkhole collapse"), shifting, or rising of earth including, but not limited to, erosion, expansion, shrinking, freezing, thawing, improper soil compaction, and movement of water under the surface of the ground that cause cracking, settling, or shifting of foundations, buildings, or structures; or
- e. eruption, explosion, or effusion of a volcano.

2. "Flood" means an overflowing or inundation by water of an area that was previously and normally dry or not covered by water, whether caused artificially or naturally, by human or animal forces or by an act of nature. "Flood" includes, but is not limited to:

- a. overflow of inland or tidal waters, waves, tidal waves, or tsunamis, or spray that results from any of these, all whether driven by wind or not, including but not limited to storm surge;
- b. unusual and rapid accumulation or runoff of surface waters from any source; or
- c. mudslides or mudflows if caused by:
  - 1) unusual and rapid accumulation or runoff of surface waters or waves; or
  - 2) currents of water exceeding anticipated cyclical levels.

3. "Limit" means the amount of coverage that applies.

4. "Pollutant" means:

- a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
- b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.

5. "Schedule of coverages" means:

- a. all pages labeled "schedule of coverages" or schedules that pertain to this coverage; and
- b. declarations or supplemental declarations that pertain to this coverage.

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6. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.
7. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to:

- a. personal property in the open; or
- b. the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roofs or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

8. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.
9. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow.

"Volcanic action" does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss or damage to the covered property.

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**SCHEDULE OF COVERAGES**  
**SCHEDULED PROPERTY FLOATER**

(The entries required to complete this schedule  
will be shown below or on the "schedule of coverages".)

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**COVERED PROPERTY**

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Item No.	DESCRIBED PROPERTY	"Limit"
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

**COVERAGE EXTENSIONS**

Additional Debris Removal Expenses \$ \_\_\_\_\_

**SUPPLEMENTAL COVERAGES**

Newly Acquired Property \$ \_\_\_\_\_

Pollutant Cleanup And Removal \$ \_\_\_\_\_



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## DEDUCTIBLE AND COINSURANCE

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### DEDUCTIBLE

Deductible Amount \$2500

### COINSURANCE

☐ Not Applicable

☒ 80%      ☐ 90%      ☐ 100%      ☐ Other \_\_\_\_\_%

### OPTIONAL COVERAGES AND ENDORSEMENTS

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# **Exhibit B**

ZBC D713544 01  
1309516  
Original Insured

SUPERIOR KNIFE LLC

1225 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007

SUPERIOR KNIFE LLC  
1225 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007

SUPERIOR KNIFE LLC

1225 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007



## **Customer Notice of Privacy Policy and Producer Compensation Practices Disclosures**

### **Privacy Policy Disclosure**

#### **Collection of Information**

We collect personal information so that we may offer quality products and services. This information may include, but is not limited to, name, address, Social Security number, and consumer reports from consumer reporting agencies in connection with your application for insurance or any renewal of insurance. For example, we may access driving records, insurance scores or health information. Our information sources will differ depending on your state and/or the product or service we are providing to you. This information may be collected directly from you and/or from affiliated companies, non-affiliated third parties, consumer reporting agencies, medical providers and third parties such as the Medical Information Bureau.

We, and the third parties we partner with, may track some of the web pages you visit through cookies, pixel tagging or other technologies. We currently do not process or comply with any web browser's "do not track" signals or similar mechanisms that request us to take steps to disable online tracking. For additional information regarding online privacy, please see our online privacy statement, located at [www.hanover.com](http://www.hanover.com).

#### **Disclosure of Information**

We may disclose non-public, personal information you provide, as required to conduct our business and as permitted or required by law. We may share information with our insurance company affiliates or with third parties that assist us in processing and servicing your account. We also may share your information with regulatory or law enforcement agencies, reinsurers and others, as permitted or required by law.

Our insurance companies may share information with their affiliates, but will not share information with non-affiliated third parties who would use the information to market products or services to you.

Our standards for disclosure apply to all of our current and former customers.

#### **Safeguards to Protect Your Personal Information**

We recognize the need to prevent unauthorized access to the information we collect, including information held in an electronic format on our computer systems. We maintain physical, electronic and procedural safeguards intended to protect the confidentiality and integrity of all non-public, personal information, including but not limited to social security numbers, driver's license numbers and other personally identifiable information.

#### **Internal Access to Information**

Access to personal, non-public information is limited to those people who need the information to provide our customers with products or services. These people are expected to protect this information from inappropriate access, disclosure and modification.

#### **Consumer Reports**

In some cases, we may obtain a consumer report in connection with an application for insurance. Depending on the type of policy, a consumer report may include information about you or your business, such as:

- character, general reputation, personal characteristics, mode of living;
- credit history, driving record (including records of any operators who will be insured under the policy); and/or
- an appraisal of your dwelling or place of business that may include photos and comments on its general condition.

#### **Access to Information**

Upon written request, we will inform you if we have ordered an investigative consumer report. You have the right to make a written request within a reasonable period for information concerning the nature and scope of the report and to be interviewed as part of its preparation. You may obtain a copy of the report from the reporting agency and, under certain circumstances, you may be entitled to a copy at no cost.

You also may review certain information we have about you or your business in our files. To review information we maintain in our files about you or your business, please write to us, providing your complete name, address and policy number(s), and indicating specifically what you would like to see. If you request actual copies of your file, there may be a nominal charge.

We will tell you to whom we have disclosed the information within the two years prior to your request. If there is not a record indicating that the information was provided to another party, we will tell you to whom such information is normally disclosed.



There is information that we cannot share with you. This may include information collected in order to evaluate a claim under an insurance policy, when the possibility of a lawsuit exists. It may also include medical information that we would have to forward to a licensed medical doctor of your choosing so that it may be properly explained.

#### **Correction of Information**

If after reviewing your file you believe information is incorrect, please write to the consumer reporting agency or to us, whichever is applicable, explaining your position. The information in question will be investigated. If appropriate, corrections will be made to your file and the parties to whom the incorrect information was disclosed, if any, will be notified. However, if the investigation substantiates the information in the file, you will be notified of the reasons why the file will not be changed. If you are not satisfied with the evaluation, you have the right to place a statement in the file explaining why you believe the information is incorrect. We also will send a copy of your statement to the parties, if any, to whom we previously disclosed the information and include it in any future disclosures.

#### **Our Commitment to Privacy**

In the insurance and financial services business, lasting relationships are built upon mutual respect and trust. With that in mind, we will periodically review and revise our privacy policy and procedures to ensure that we remain compliant with all state and federal requirements. If any provision of our privacy policy is found to be non-compliant, then that provision will be modified to reflect the appropriate state or federal requirement. If any modifications are made, all remaining provisions of this privacy policy will remain in effect. For more detailed information about our customer privacy policy (including any applicable state-specific policies) and our online privacy statement, visit our Web site, located at [www.hanover.com](http://www.hanover.com).

#### **Further Information**

If you have questions about our customer privacy policy (including any applicable state-specific policies) or our online privacy statement, or if you would like to request information we have on file, please write to us at our Privacy Office, N435, The Hanover Insurance Group, Inc., 440 Lincoln Street, Worcester, MA 01653. Please provide your complete name, address and policy number(s). A copy of our Producer Compensation Disclosure is also available upon written request addressed to the attention of the Corporate Secretary, N435, The Hanover Insurance Group, 440 Lincoln Street, Worcester, MA 01653.

#### **Producer Compensation Disclosure**

Our products are sold through independent agents and brokers, often referred to as "Producers." We may pay Producers a fixed commission for placing and renewing business with our company. We may also pay additional commission and other forms of compensation and incentives to Producers who place and maintain their business with us. Details of our Producer compensation practices may be found at [www.hanover.com](http://www.hanover.com).

This notice is being provided on behalf of the following Hanover Companies: The Hanover Insurance Group, Inc. - Allmerica Financial Alliance Insurance Company - Allmerica Financial Benefit Insurance Company - Allmerica Plus Insurance Agency, Inc. - Citizens Insurance Company of America - Citizens Insurance Company of Illinois - Citizens Insurance Company of the Midwest - Citizens Insurance Company of Ohio - Citizens Management, Inc. - AIX Ins. Services of California, Inc.- Campania Insurance Agency Co. Inc.- Campmed Casualty & Indemnity Co. Inc. - Chaucer Syndicates Limited- Educators Insurance Agency, Inc.- Hanover Specialty Insurance Brokers, Inc. - The Hanover American Insurance Company - The Hanover Insurance Company - The Hanover New Jersey Insurance Company - The Hanover National Insurance Company - Hanover Lloyd's Insurance Company - Massachusetts Bay Insurance Company - Opus Investment Management, Inc. - Professionals Direct Insurance Services, Inc. -Professional Underwriters Agency, Inc.- Verlan Fire Insurance Company - Nova Casualty Company - AIX Specialty Insurance Company.

THIS NOTICE IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT, AS AMENDED. THIS NOTICE DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THIS POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

## **NOTICE – ACCEPTANCE OF TERRORISM COVERAGE AND DISCLOSURE OF PREMIUM**

### **Schedule**

<b>Disclosure of Premium:</b>	
Total Terrorism Premium	<b>\$ 121</b>
Fire Following Premium	<b>\$ 33</b>
Other than Fire Following Premium	<b>\$ 88</b>

Coverage for “acts of terrorism,” as defined in Section 102(1) of the Terrorism Risk Insurance Act (“Act”) is included in your policy. You are hereby notified that under the Act, as amended in 2015, the definition of “act of terrorism” is:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States’ government by coercion.

### **Disclosure of Federal Participation in Payment of Terrorism Losses**

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

### **Cap on Insurer Participation in Payment of Terrorism Losses**

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers’ liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.



THIS NOTICE IS PROVIDED IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS NOTICE DOES NOT GRANT COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF COVERAGE UNDER THE POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

### Schedule

<b>Disclosure of Premium:</b>	
Total Terrorism Premium	<b>\$ 121</b>
Fire Following Premium	<b>\$ 33</b>
Other than Fire Following Premium	<b>\$ 88</b>

### Disclosure of Terrorism Coverage Available

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from "acts of terrorism" defined in Section 102(1) of the Act as follows:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

The premium charged for this coverage is provided in the Schedule above and does not include any charges for the portion of loss that may be covered by the Federal Government as described below.

Your policy may contain other exclusions which could affect your coverage, such as an exclusion for Nuclear Events or Pollution. **Please read your policy carefully.**

### Note for Commercial Property or Commercial Inland Marine Policyholders in Standard Fire States:

In your state, a terrorism exclusion makes an exception for (and therefore provides coverage for) fire losses resulting from an act of terrorism. If you reject the offer of terrorism coverage, therefore, that rejection does not apply to fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy. The additional premium just for such fire coverage is shown in the Schedule above.

### Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

**Cap on Insurer Participation in Payment of Terrorism Losses**

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers' liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**Rejection of Terrorism Insurance Coverage**

- ☐ I decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

\_\_\_\_\_  
Applicant/Policyholder Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Citizens Insurance Company Of America  
Insurance Company

\_\_\_\_\_  
ZBC D713544 01

\_\_\_\_\_  
Quote or Policy Number



ZBC D713544 01

**Citizens Insurance Company of America (A Stock Company)**  
**808 North Highlander Way, Howell, MI 48843-1070**  
**Commercial Line Policy**  
**Common Declarations**

CM

Policy Number	Policy Period		Coverage is Provided in the:	Agency Code
	From	To		
ZBC D713544 01	10/01/2019	10/01/2020	Citizens Insurance Company of America	1309516

**Named Insured and Address :****Agent :**

SUPERIOR KNIFE LLC 1225 ARTHUR AVE ELK GROVE VILLAGE IL 60007	ACRISURE LLC DBA PRESIDIO  55 SHUMAN BLVD STE 900 NAPERVILLE IL 60563
---	--

**Branch :** Chicago Branch Office  
**Policy Period :** **From** 10/01/2019 **To** 10/01/2020  
12:01 A.M. Standard Time at Your Mailing Address Shown Above.  
**Business Description:** Knife Sharpening Company  
**Legal Entity:** Limited Liability Corporation

In Consideration of the premium, insurance is provided the Named Insured with respect to those premises described in the attached schedule(s) for which a specific limit of insurance is shown. This is subject to all terms of this policy including Common Policy Conditions. Coverage Parts, Forms and Endorsements may be subject to adjustment and/or a policy minimum premium.

<b>Commercial Property Coverage</b>	\$2,956.00
<b>Commercial General Liability Coverage</b>	\$4,579.00
<b>Cyber Liability Coverage</b>	\$106.00
<b>Commercial Inland Marine Coverage</b>	\$267.00
<b>Commercial Crime Coverage</b>	Not Covered
<b>Commercial Auto Coverage</b>	Not Covered
<b>Total Surcharges Premium</b>	N/A
<b>Additional Premium For Policy Minimum</b>	N/A
<b>** Total</b>	<b>\$7,908.00</b>

\*\*INCLUDES PREMIUM, IF ANY, FOR TERRORISM; REFER TO DISCLOSURE NOTICE

Countersigned \_\_\_\_\_ By \_\_\_\_\_

10 Pay - 20% Down



SUPERIOR KNIFE LLC

ZBC D713544 01

ACRISURE LLC DBA PRESIDIO

Group Number ZCL



SUPERIOR KNIFE LLC

ZBC D713544 01

**ACRISURE LLC DBA PRESIDIO****Locations of All Premises You Own, Rent or Occupy****Location: 1**

1225 ARTHUR AVE  
Elk Grove Village IL  
60007

**Location: 2**

8120 CENTRAL PARK AVE  
Skokie IL  
60076

**Location: 3**

6235 W. Howard Steet  
Niles IL  
60714

**Forms Applicable to all Coverage Parts:**

\*Asterisk denotes new or changed form

<b><u>Form Number</u></b>	<b><u>Edition Date</u></b>	<b><u>Description</u></b>
331-0053	08/16	Illinois Inquiry Notice
401-1127	01/15	Notice - Acceptance Of Terrorism Coverage and Disclosure Of Premium
401-1337	02/16	Trade Or Economic Sanctions Endorsement
* 401-1374	01/15	Offer Disclosure Pursuant To Terrorism Risk Insurance Act
401-1377	12/14	Company Address Listing
IL 00 03	09/08	Calculation of Premium
IL 00 17	11/98	Common Policy Conditions
IL 00 21	09/08	Nuclear Energy Liability Exclusion Endorsement
IL 01 47	09/11	IL Changes - Civil Union
IL 01 62	10/13	Illinois Changes - Defense Costs
IL 02 84	12/05	Illinois Changes - Cancellation And Nonrenewal
IL 09 35	07/02	Exclusion of Certain Computer-Related Losses
IL 09 52	01/15	Cap On Losses From Certified Acts of Terrorism
SIG 11 00	11/17	Signature Page



SUPERIOR KNIFE LLC

ZBC D713544 01

ACRISURE LLC DBA PRESIDIO

**Commercial Property Coverage Part Declaration****Total Property Premium**

\$2,956.00

Coverages Provided:

Insurance at the Described Premises applies only for the coverage shown below:

<u>LOC</u>	<u>BLDG</u>		
2	1	<b>Occupancy:</b>	Cutlery (not powered) and Flatware Mfg.
		<b>Territory:</b>	087
		<b>Construction:</b>	Masonry Noncombustible
		<b>Protection Class:</b>	1

<u>LOC</u>	<u>BLDG</u>	<u>Coverage:</u>	<u>Cause of Loss:</u>	<u>Premiums:</u>
2	1	<b>Contents All Inclusive</b>	Special	\$87.00
		<b>Limit Of Insurance:</b>	\$50,000.00	
		<b>Replacement Cost</b>		
		<b>Coinsurance:</b>	80%	

<u>LOC</u>	<u>BLDG</u>	<u>DED BY LOC</u>	<u>APPLICABLE DEDUCTIBLE</u>	
2	1		<b>Windstorm/Hail Deductible</b>	\$1,000.00
			<b>Theft Deductible:</b>	\$1,000.00
			<b>Other Deductible:</b>	\$1,000.00

<u>LOC</u>	<u>BLDG</u>		
3	1	<b>Occupancy:</b>	Cutlery (not powered) and Flatware Mfg.
		<b>Territory:</b>	080
		<b>Construction:</b>	Noncombustible
		<b>Protection Class:</b>	3

<u>LOC</u>	<u>BLDG</u>	<u>Coverage:</u>	<u>Cause of Loss:</u>	<u>Premiums:</u>
3	1	<b>Contents All Inclusive</b>	Special	\$1,410.00
		<b>Limit Of Insurance:</b>	\$1,500,000.00	





SUPERIOR KNIFE LLC

ZBC D713544 01

ACRISURE LLC DBA PRESIDIO

**Commercial Property Coverage Part Declaration****Replacement Cost****Coinsurance:** 80%

<u>LOC</u>	<u>BLDG</u>	<u>Coverage:</u>	<u>Cause of Loss:</u>	<u>Premiums:</u>
3	1	<b>Business Income</b>	Special	\$335.00

**Limit Of Insurance:** \$500,000.00**Coinsurance** 80%**Extended Period of Indemnity** 60 Days Included**Business Income Time Deductible** 72 Hours

<u>LOC</u>	<u>BLDG</u>	<u>DED BY LOC</u>	<u>APPLICABLE DEDUCTIBLE</u>
3	1		

**Windstorm/Hail Deductible** \$1,000.00**Theft Deductible:** \$1,000.00**Other Deductible:** \$1,000.00**Additional Premium for Property Minimum :** N/A**Miscellaneous/Optional Property Coverages:** **PREMIUM**

Data Breach \$55.00

Boiler / Machinery / Equipment Breakdown \$233.00

Emergency Event Management Coverage \$38.00

Terrorism Premium \$55.00

Gold Property Broadening Endorsement \$594.00

Manufacturing Property Broadening Endorsement \$149.00



SUPERIOR KNIFE LLC

ZBC D713544 01

ACRISURE LLC DBA PRESIDIO

### Forms Applicable to Property Coverage Parts:

\*Asterisk denotes new or changed form

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
411-0610	04/14	Emergency Event Management
411-0669	01/15	Data Breach Coverage Form
411-0679	04/10	Associates And Family Members Additional Coverage Endorsement
411-0681	12/09	Identity Theft Resolution Services
411-0793	04/14	Gold Property Broadening Endorsement
411-0815	04/14	Manufacturing Property Broadening Endorsement
411-0926	05/17	Illinois Changes - Data Breach Coverage Form
451-0038	11/16	Equipment Breakdown Coverage (Including Electronic Circuitry Impairment)
* 451-0039	11/16	Commercial Property Coverage Part Equipment Breakdown Coverage Schedule
451-0066	11/16	Important Notice To Policyholders
CP 00 10	10/12	Building and Personal Property Coverage Form
CP 00 30	10/12	Business Income (And Extra Expense) Coverage Form
CP 00 90	07/88	Commercial Property Conditions
CP 01 40	07/06	Exclusion of Loss Due to Virus or Bacteria
CP 01 49	06/07	Illinois Changes - Artificially Generated Electrical Current Exclusion
CP 04 11	10/12	Protective Safeguards
CP 10 30	10/12	Cause of Loss - Special Form
* CP 99 93	10/90	Tentative Rate
IL 01 18	02/17	Illinois Changes



SUPERIOR KNIFE LLC

ZBC D713544 01

ACRISURE LLC DBA PRESIDIO

## Commercial General Liability Coverage Part Declaration

Audit Frequency: Annual

**Limits of Insurance:**

<b>General Aggregate Limit</b>	\$2,000,000
<b>Products-Completed Operations Aggregate Limit</b>	\$2,000,000
<b>Each Occurrence Limit</b>	\$1,000,000
<b>Personal and Advertising Injury Limit</b>	\$1,000,000
<b>Damage to Premises Rented to You Limit</b>	\$100,000
<b>Medical Expense Limit, Any One Person</b>	\$10,000
<b>General Liability Deductible:</b>	
<b>Total Advance Commercial General Liability Premium</b>	\$4,579.00

THIS POLICY CONTAINS AGGREGATE LIMITS; REFER TO SECTION III - LIMITS OF INSURANCE FOR DETAILS

### Forms Applicable to General Liability Coverage Parts:

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
421-0022	12/90	Asbestos Liability Exclusion
421-0330	06/15	Exclusion Tobacco And Electronic Cigarette Liability
421-2915	06/15	Commercial General Liability Broadening Endorsement
421-2916	06/15	Commercial General Liability Enhancement Endorsement
CG 00 01	04/13	Commercial General Liability Coverage Form - Occurrence
CG 02 00	01/18	Illinois Changes - Cancellation and Nonrenewal
CG 04 35	12/07	Employee Benefits Liability Coverage
CG 21 06	05/14	Exclusion - Access or Disclosure of Confidential or Personal Information and Data-Related Liability - With Limited Bodily Injury Exception
CG 21 47	12/07	Employment - Related Practices Exclusion
CG 21 55	09/99	Total Pollution With a Hostile Fire Exception
CG 21 67	12/04	Fungi or Bacteria Exclusion
CG 21 70	01/15	Cap On Losses From Certified Acts of Terrorism
CG 21 76	01/15	Exclusion of Punitive Damages Related To A Certified Act Of Terrorism
CG 21 96	03/05	Silica or Silica-Related Dust Exclusion



SUPERIOR KNIFE LLC

ZBC D713544 01

ACRISURE LLC DBA PRESIDIO

**Commercial General Liability Classification Schedule Declaration**

<u>LOC</u>	<u>ST</u>	<u>TERR</u>	<u>CODE</u>	<u>SUBLINE</u>	<u>PREMIUM BASIS</u>	<u>PER</u>	<u>RATE</u>	<u>ADVANCE PREMIUM</u>
3	IL	506	51999	334	\$3,500,000 Receipts (Sales)	1,000	.199	\$697.00
3	IL	506	51999	336	\$3,500,000 Receipts (Sales)	1,000	.808	\$2,828.00

Cutlery (not powered) and Flatware Mfg.

<u>LOC</u>	<u>ST</u>	<u>TERR</u>	<u>CODE</u>	<u>SUBLINE</u>	<u>PREMIUM BASIS</u>	<u>PER</u>	<u>RATE</u>	<u>ADVANCE PREMIUM</u>
3	IL	506	12362	334	\$750,000 Receipts (Sales)	1,000	.137	\$103.00
3	IL	506	12362	336	\$750,000 Receipts (Sales)	1,000	.44	\$330.00

Distributors no food or drink

**Miscellaneous/Optional General Liability Coverages****Advance Premium**

Employee Benefits Coverage	\$316.00
Terrorism Premium	\$55.00
CGL Enhancement	\$250.00

Additional Premium for Coverage Minimum: N/A

**Total Advance General Liability Premium** \$4,579.00

<b>Subline</b>	<b>334</b>	<b>Premises and Operations</b>
<b>Subline</b>	<b>336</b>	<b>Products and/or Completed Operations</b>



## CYBER DECLARATIONS

### CLAIMS-MADE WARNING

THIS COVERAGE PART INCLUDES COVERAGES WRITTEN ON A CLAIMS-MADE BASIS SUBJECT TO ITS TERMS. CLAIMS-MADE COVERAGE APPLIES ONLY TO "CLAIMS" FIRST MADE AGAINST THE "INSUREDS" DURING THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD. PLEASE READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE AND COVERAGE RESTRICTIONS.

### "DEFENSE EXPENSES" WITHIN LIMITS AND DEDUCTIBLE

THE LIMITS OF LIABILITY WILL BE REDUCED AND CAN BE COMPLETELY EXHAUSTED BY THE PAYMENT OF COVERED "DEFENSE EXPENSES". IN THE EVENT THAT THE LIMIT OF LIABILITY IS EXHAUSTED, THE "INSURER" SHALL NOT BE LIABLE FOR "DEFENSE EXPENSES", JUDGMENTS OR SETTLEMENTS IN EXCESS OF THE APPLICABLE LIMIT. INSURING AGREEMENTS A. AND B. ARE SUBJECT TO DEDUCTIBLE AMOUNTS STATED IN THE DECLARATIONS. AMOUNTS INCURRED FOR "DEFENSE EXPENSES" ARE SUBJECT TO THE APPLICABLE DEDUCTIBLE.

Policy Number	Coverage is provided by:
ZBC D713544 01	<b>Citizens Insurance Company of America</b> <i>(A Stock Company)</i> 808 North Highlander Way Howell, MI 48843-1070
<b>Item 1. NAMED INSURED:</b>	
SUPERIOR KNIFE LLC 1225 ARTHUR AVE ELK GROVE VILLAGE IL 60007	
<b>Item 2. POLICY PERIOD</b>	
Inception Date: 10/01/2019                      Expiration Date: 10/01/2020 (12:01 AM standard time at the address shown in <b>Item 1.</b> )	
<b>Item 3. AGGREGATE LIMIT OF LIABILITY FOR THIS COVERAGE PART</b>	
Maximum Aggregate Limit of Liability	\$50,000



<b>Item 4. INSURING AGREEMENTS</b>			
<b>Prior and Pending Proceedings Date:</b>		10/01/2018	
<b>Retroactive Date:</b>		10/01/2018	
<b>Insuring Agreement</b>	<b>Limits of Liability</b>	<b>Deductible</b>	<b>Premium</b>
A. Privacy and Security Liability	\$50,000	\$5,000	\$53
B. Cyber Media Liability	\$50,000	\$5,000	\$53
<b>Item 5. PREMIUM FOR COVERAGE PART</b>			\$106
<b>Item 6. FORMS OR ENDORSEMENTS ATTACHED AT ISSUE:</b>			
<b><u>Form Number</u></b>	<b><u>Edition Date</u></b>	<b><u>Name</u></b>	
850-0001	01/15	Cyber Coverage Part	
850-0025	01/15	Illinois Amendatory Endorsement	





SUPERIOR KNIFE LLC

ZBC D713544 01

ACRISURE LLC DBA PRESIDIO

**Inland Marine Declaration****Total Inland Marine Premium****\$267.00**

Coverages Provided:

Insurance at the Described Premises applies only for the coverage shown below:

<u>LOC</u>	<u>BLDG</u>	<u>Type of Coverage</u>	<u>Premium</u>
2	1	Misc Property Floaters	\$150.00
		Limit	\$15,000.00
		Deductible	\$1,000.00
		Coinsurance	See Form
		Schedule	See Form
		Reporting Form	Non-Reporting

**Additional Premium for Inland Marine Minimum:**

N/A

**Miscellaneous/Optional Inland Marine Coverages:****PREMIUM**

Contractors' Equipment Coverage

\$106.00

Terrorism Premium

\$11.00



SUPERIOR KNIFE LLC

ZBC D713544 01

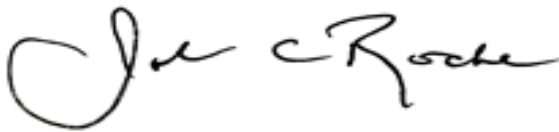
**ACRISURE LLC DBA PRESIDIO****Forms Applicable to Inland Marine Coverage Parts:**

\*Asterisk denotes new or changed form

<b><u>Form Number</u></b>	<b><u>Edition Date</u></b>	<b><u>Description</u></b>
CL 01 20	10/08	Amendatory Endorsement - Illinois
CL 06 00	01/15	Certified Terrorism Loss
CL 07 00	10/06	Virus OR Bacteria Exclusion
CM 00 01	09/04	Commercial Inland Marine Conditions
CM 01 50	03/10	Illinois Changes - Artificially Generated Current Exclusion
IM 20 2	07/05	Deductible Waiver for Lojack Brand Protection System
IM 20 27	08/09	Amendatory Endorsement - Illinois
IM 70 00	04/04	Contractors' Equipment Coverage
* IM 70 05	04/04	Schedule of Coverages - Contractors Equipment Coverage
* IM 70 31	04/04	Equipment Schedule - Contractors' Equipment - Valuation Basis
IM 75 00	10/09	Scheduled Property Floater
IM 75 06	10/09	Schedule of Coverages - Scheduled Property Floater

THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

**In Witness Whereof**, this company has caused this policy to be signed by its President and Secretary and countersigned on the declarations page, where required, by a duly authorized agent of the company.

A handwritten signature in black ink, appearing to read "John C. Roche". The signature is fluid and cursive, with the first letter of each name being capitalized and prominent.

John C. Roche  
President

A handwritten signature in black ink, appearing to read "Charles F. Cronin". The signature is fluid and cursive, with the first letter of each name being capitalized and prominent.

Charles Frederick Cronin  
Secretary

## **ILLINOIS INQUIRY NOTICE**

In accordance with Illinois statute 215 ILCS 5/143c, the following information is provided:

This notice is to advise you that should any complaints arise regarding this insurance, you may contact the following:

The Hanover Insurance Company, Massachusetts Bay Insurance Company, Citizens Insurance Company of America, Citizens Insurance Company of Midwest, Citizens Insurance Company of Illinois, Allmerica Financial Benefit Insurance Company, Allmerica Financial Alliance Insurance Company and The Hanover American Insurance Company, complaint department for policies written through agencies located in the state of Illinois is:

**Complaint Department  
The Hanover Insurance Group  
333 W. Pierce Road  
Suite 300  
Itasca, Illinois 60143  
1-800-685-5669**

The address of the Consumer Division or Public Services Section of the Illinois Department of Insurance is:

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
320 W. Washington Street  
Springfield, Illinois 62767  
Or**

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
122 S Michigan Ave 19<sup>th</sup> Floor  
Chicago, IL 60603  
1-312-814-2420**

**Or**

**<http://insurance.illinois.gov>**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **TRADE OR ECONOMIC SANCTIONS ENDORSEMENT**

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

## IMPORTANT INFORMATION ABOUT YOUR INSURANCE COMPANY

The Home Office address for the Insurance Company shown on the policy Declarations page is:

**Allmerica Financial Alliance Insurance Company**

*(A Stock Company)*

440 Lincoln Street

Worcester, MA 01653-0002

**The Hanover American Insurance Company**

*(A Stock Company)*

440 Lincoln Street

Worcester, MA 01653-0002

**Allmerica Financial Benefit Insurance Company**

*(A Stock Company)*

440 Lincoln Street

Worcester, MA 01653-0002

**The Hanover Insurance Company**

*(A Stock Company)*

440 Lincoln Street

Worcester, MA 01653-0002

**Campmed Casualty & Indemnity Company, Inc.**

*(A Stock Company)*

12100 Sunset Hills Road, Suite 300

Reston, VA 20190-3295

**Hanover Lloyds Insurance Company**

*(A Texas Lloyd's Plan Company)*

440 Lincoln Street

Worcester, MA 01653-0002

**Citizens Insurance Company of America**

*(A Stock Company)*

808 North Highlander Way

Howell, MI 48843-1070

**Massachusetts Bay Insurance Company**

*(A Stock Company)*

440 Lincoln Street

Worcester, MA 01653-0002

**Citizens Insurance Company of Illinois**

*(A Stock Company)*

333 West Pierce Road, Suite 300

Itasca, IL 60143-3114

**The Hanover New Jersey Insurance Company**

*(A Stock Company)*

440 Lincoln Street

Worcester, MA 01653-0002

**Citizens Insurance Company of the Midwest**

*(A Stock Company)*

9229 Delegates Row, Suite 100

Indianapolis, IN 46240-3824

**Verlan Fire Insurance Company**

*(A Stock Company)*

440 Lincoln Street

Worcester, MA 01653-0002

**Citizens Insurance Company of Ohio**

*(A Stock Company)*

1300 East 9th Street, Suite 1010

Cleveland, OH 44114-1506



IL 00 03 09 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CALCULATION OF PREMIUM**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or

- b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

ZBC-D713544 01 1309516  
IL 00 21 09 08**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT**

**(Broad Form)**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**1. The insurance does not apply:**

**A. Under any Liability Coverage, to "bodily injury" or "property damage":**

- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.**

**C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:**

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

**2. As used in this endorsement:**

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

**(c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

**(d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES – CIVIL UNION**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
 FARM COVERAGE PART  
 FARM UMBRELLA LIABILITY POLICY  
 LIQUOR LIABILITY COVERAGE PART  
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCT WITHDRAWAL COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
 UNDERGROUND STORAGE TANK POLICY

**A. The term "spouse" is replaced by the following:**

Spouse or party to a civil union recognized under Illinois law.

**B. Under the Commercial Auto Coverage Part, the term "family member" is replaced by the following:**

"Family member" means a person related to the:

1. Individual Named Insured by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of such Named Insured's household, including a ward or foster child; or
2. Individual named in the Schedule by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of the individual's household, including a ward or foster child, if the Drive Other Car Coverage – Broadened Coverage For Named Individual Endorsement is attached.

**C. With respect to coverage for the ownership, maintenance, or use of "covered autos" provided under the Commercial Liability Umbrella Coverage Part, the term "family member" is replaced by the following:**

"Family member" means a person related to you by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of your household, including a ward or foster child.

ZBC-D7-13544 01 1309516  
IL 01 62 10 13**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****ILLINOIS CHANGES – DEFENSE COSTS**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART – LEGAL LIABILITY COVERAGE FORM  
 COMMERCIAL PROPERTY COVERAGE PART – MORTGAGEHOLDERS ERRORS AND OMISSIONS COVERAGE FORM  
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
 FARM COVERAGE PART  
 FARM UMBRELLA LIABILITY POLICY  
 LIQUOR LIABILITY COVERAGE PART  
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCT WITHDRAWAL COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
 UNDERGROUND STORAGE TANK COVERAGE PART

**A.** The provisions of Paragraph **B.** are added to all Insuring Agreements that set forth a duty to defend under:

1. Section **I** of the Commercial General Liability, Commercial Liability Umbrella, Employment-related Practices Liability, Farm, Liquor Liability, Owners And Contractors Protective Liability, Pollution Liability, Products/Completed Operations Liability, Product Withdrawal, Medical Professional Liability, Railroad Protective Liability, Underground Storage Tank Coverage Parts, Auto Dealers Coverage Form and the Farm Umbrella Liability Policy;
2. Section **II** under the Auto Dealers, Business Auto and Motor Carrier Coverage Forms;
3. Section **III** under the Auto Dealers and Motor Carrier Coverage Forms;
4. Section **A.** Coverage under the Legal Liability Coverage Form; and

**5.** Coverage **C** – Mortgageholder's Liability under the Mortgageholders Errors And Omissions Coverage Form.

Paragraph **B.** also applies to any other provision in the policy that sets forth a duty to defend.

**B.** If we initially defend an insured ("insured") or pay for an insured's ("insured's") defense but later determine that the claim(s) is (are) not covered under this insurance, we will have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement for the defense costs under this provision will only apply to defense costs we have incurred after we notify you in writing that there may not be coverage, and that we are reserving our rights to terminate the defense and seek reimbursement for defense costs.



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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
FARM COVERAGE PART

- A.** The **Cancellation** Common Policy Condition is replaced by the following:

### **CANCELLATION**

1. The first Named Insured shown in the Declarations may cancel this policy by mailing to us advance written notice of cancellation.
2. If this policy has been in effect for 60 days or less, except as provided in Paragraphs **8.** and **9.** below, we may cancel this policy by mailing written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. If this policy has been in effect for more than 60 days, except as provided in Paragraphs **8.** and **9.** below, we may cancel this policy only for one or more of the following reasons:
  - a. Nonpayment of premium;
  - b. The policy was obtained through a material misrepresentation;
  - c. You have violated any of the terms and conditions of the policy;
  - d. The risk originally accepted has measurably increased;
  - e. Certification to the Director of Insurance of the loss of reinsurance by the insurer which provided coverage to us for all or a substantial part of the underlying risk insured; or
  - f. A determination by the Director that the continuation of the policy could place us in violation of the insurance laws of this State.

If we cancel this policy based on one or more of the above reasons except for nonpayment of premium, we will mail written notice at least 60 days before the effective date of cancellation. When cancellation is for nonpayment of premium, we will mail written notice at least 10 days before the effective date of cancellation.

4. We will mail our notice to you, any mortgagee or lienholder known to us and to the agent or broker.
5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
6. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
7. Our notice of cancellation will state the reason for cancellation.
8. **Real Property Other Than Residential Properties Occupied By 4 Families Or Less**

The following applies only if this policy covers real property other than residential property occupied by 4 families or less:

If any one or more of the following conditions exists at any building that is Covered Property in this policy, we may cancel this policy by mailing to you written notice of cancellation, by both certified and regular mail, if:

- a. After a fire loss, permanent repairs to the building have not started within 60 days of satisfactory adjustment of loss, unless the delay is due to a labor dispute or weather conditions.

b. The building has been unoccupied 60 or more consecutive days. This does not apply to:

- (1) Seasonal unoccupancy; or
- (2) Buildings under repair, construction or reconstruction, if properly secured against unauthorized entry.

c. The building has:

- (1) An outstanding order to vacate;
- (2) An outstanding demolition order; or
- (3) Been declared unsafe in accordance with the law.

d. Heat, water, sewer service or public lighting have not been connected to the building for 30 consecutive days or more.

The policy will terminate 10 days following receipt of the written notice by the named insured(s).

#### 9. Residential Properties Occupied By 4 Families Or Less

The following applies if this policy covers residential properties occupied by 4 families or less:

If this policy has been in effect for 60 days, or if this is a renewal policy, we may only cancel this policy for one or more of the following reasons:

- a. Nonpayment of premium;
- b. The policy was obtained by misrepresentation or fraud; or
- c. Any act that measurably increases the risk originally accepted.

If we cancel this policy based on one or more of the above reasons except for nonpayment of premium, we will mail written notice at least 30 days before the effective date of cancellation. When cancellation is for nonpayment of premium, we will mail written notice at least 10 days before the effective date of cancellation.

10. For insurance provided under the Commercial Property Coverage Part and the Capital Assets Program (Output Policy) Coverage Part, the following applies:

#### GRAIN IN PUBLIC GRAIN WAREHOUSES

(Not applicable to grain owned by the Commodity Credit Corporation)

The following applies only with respect to grain in public grain warehouses:

The first Named Insured or we may cancel this policy at any time by mailing to:

- a. The other; and

b. The Director of the Illinois Department of Agriculture (at its Springfield Office);  
60 days' written notice of cancellation.

B. The following is added:

#### NONRENEWAL

1. If we decide not to renew or continue this policy, we will mail you, your agent or broker and any mortgagee or lienholder known to us written notice, stating the reason for nonrenewal, at least 60 days before the end of the policy period. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.

2. The following provision applies only if this policy covers residential properties occupied by 4 families or less:

a. If this policy has been issued to you and in effect with us for 5 or more years, we may not fail to renew this policy unless:

- (1) The policy was obtained by misrepresentation or fraud;
- (2) The risk originally accepted has measurably increased; or
- (3) You received 60 days' notice of our intent not to renew as provided in 1. above.

b. If this policy has been issued to you and in effect with us for less than 5 years, we may not fail to renew this policy unless you received 30 days' notice as provided in 1. above.

C. The following is added:

#### MAILING OF NOTICES

We will mail cancellation and nonrenewal notices to the last addresses known to us. Proof of mailing will be sufficient proof of notice.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES**

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
    - a.** Any of the following, whether belonging to any insured or to others:
      - (1)** Computer hardware, including microprocessors;
      - (2)** Computer application software;
      - (3)** Computer operating systems and related software;
      - (4)** Computer networks;
      - (5)** Microprocessors (computer chips) not part of any computer system; or
      - (6)** Any other computerized or electronic equipment or components; or
    - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
  - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
  - 2.** Under the Commercial Property Coverage Part:
    - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
    - b.** In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

IL 09 52 01 15

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
STANDARD PROPERTY POLICY

### **A. Cap On Certified Terrorism Losses**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

### **B. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EMERGENCY EVENT MANAGEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM – ACTUAL LOSS SUSTAINED  
CAUSES OF LOSS – SPECIAL FORM

Other words and phrases that appear in quotation marks have special meaning. Refer to **H. Definitions**.

The Building And Personal Property Coverage Form, Business Income (and Extra Expense) Coverage Form, Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained, and the Causes Of Loss – Special Form are amended by the addition of the Scheduled Coverages listed below. Unless otherwise noted, each Limit of Insurance shown in the Schedule is the most we will pay for the total applicable covered loss or damage resulting from a “covered emergency” regardless of the number of “covered locations” involved. The provisions of the Building and Personal Property Coverage Form, Business Income (and Extra Expense) Coverage Form, Business Income (and Extra Expense) Coverage Form Actual Loss Sustained, and the Causes of Loss – Special Form apply to the Scheduled Coverages unless specifically amended by this endorsement. If any loss or damage covered under this endorsement is also covered under any other provisions of this policy, or if more than one coverage under this endorsement applies to a specific type of loss or damage sustained, you may choose only one of the applicable coverages to apply to that loss. The most we will pay in such case is the Limit of Insurance applicable to the coverage you chose.

### Schedule of Coverages

Coverage	Limit of Insurance
<b>A.</b> Emergency Event Communication Expense	10,000
<b>B.</b> Emergency Event Business Income and Extra Expense	10,000
<b>C.</b> Post Emergency Event Expense - Per Person Limit	10,000
- Aggregate Limit	10,000

Coverage	Waiting Period
Emergency Event Communication Expense	None
Emergency Event Business Income	Follows the waiting period in the <b>BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM – ACTUAL LOSS SUSTAINED</b>
Emergency Event Extra Expense	None
Post Emergency Event Expense	None

#### **A. “Emergency Event Communication Expense”**

For the purpose of coverage under this endorsement only, the following is added to **A. Coverage**, Paragraph 4. **Additional Coverages** of the Building and Personal Property Coverage Form CP 00 10:

#### **“Emergency Event Communication Expense”**

We will pay necessary “emergency event communication expense” incurred by you resulting from a “covered emergency” at a “covered

location” for the sixty (60) consecutive days after a “covered emergency”.

This Additional Coverage does not apply to:

- (1) Any costs related to communications, advice or strategy development, that address continuing publicity or image concerns for periods occurring beyond the sixty (60) consecutive day period after a “covered emergency”, or
- (2) Communication-related expense dealing with mitigating negative publicity or restoring your



enterprise's image at any location other than the "covered location" at which the "covered emergency" occurred.

**B. Emergency Event Business Income and Extra Expense – Optional Coverage**

For the purpose of coverage under this endorsement only, when the Business Income (and Extra Expense) Coverage Form CP 00 30, or the Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581 is made a part of this policy, the following replaces all provisions of the Business Income (and Extra Expense) Coverage Form CP 00 30 or the Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581.

**1. "Emergency Event Business Income" and Extended "Emergency Event Business Income" Coverage**

**a. "Emergency Event Business Income"**

Subject to the Waiting Period shown in the Schedule of this endorsement, we will pay the actual loss of "emergency event business income" you sustain due to the necessary "suspension" of your "operations" during the "emergency event period of restoration". The "suspension" must be caused by or result from a "covered emergency" at your "covered location".

**b. Extended "Emergency Event Business Income"**

If the necessary "suspension" of your "operations" caused by or resulting from a "covered emergency" produces an "emergency event business income" loss payable under this endorsement, we will also pay the actual loss of "emergency event business income" you incur during the period that:

- (1) Begins on the date "operations" are resumed, or the date the "covered location" can be re-occupied by a tenant; and
- (2) Ends on the earlier of:
  - (a) The date you could reasonably restore your "operations" to a level which would generate the business income that would have existed had no "covered emergency" occurred; or
  - (b) The date you could reasonably have the "covered location" re-occupied by a tenant to a level that would generate the rental income which would have existed

if the "covered emergency" had not occurred; or

- (c) Thirty (30) consecutive days after the date determined in b. (1) above.

**c. Additional Conditions and Limitations – "Emergency Event Business Income" and Extended "Emergency Event Business Income"**

- (1) When alternative locations, whether or not owned by you, could have been used to mitigate any "Emergency Event Business Income" loss or Extended "Emergency Event Business Income" loss but were not, we will not pay more than what the calculable loss would have been had these other locations been used to mitigate the loss.
- (2) In the event that your coverage for loss of "Emergency Event Business Income" ends because it extends beyond the sixty (60) consecutive days provided after the "covered emergency", your coverage for Extended "Emergency Event Business Income" loss will commence only when and if you actually resume "operations" (or tenancy is re-established). When "operations" do not resume upon expiration of the sixty (60) consecutive day period, an interruption in your coverage for Business Income will occur between:
  - (a) The end of your "Emergency Event Business Income" coverage; and
  - (b) The start of your Extended "Emergency Event Business Income" coverage.
- (3) "Emergency Event Business Income" and Extended "Emergency Event Business Income" do not apply to loss of Business Income or loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the "covered emergency" in the area where the "covered locations" are located.

**d. Loss Determination - Business Income and Extended Business Income**

The amount of "emergency event business income" loss will be determined based on:



(1) The Net Income of the business at the "covered location" before the "covered emergency" occurred;

(2) The likely Net Income of the business at the "covered location" if no "covered emergency" occurred, but not including:

(a) Net Income earned due to increased sales or similar activity at other "covered locations" caused by the disruption of "operations" at the "covered location" where the "covered emergency" occurred; or

(b) Net Income that would have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the "covered emergency" on customers or other businesses; or

(c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the "covered emergency"; and

(3) Other relevant sources of information, including but not limited to:

(a) Your financial records and account procedures;

(b) Bills, invoices and other vouchers; and

(c) Deeds, liens or contracts.

## 2. "Emergency Event Extra Expense"

For the purpose of coverage under this endorsement only, when the Business Income (and Extra Expense) Coverage Form CP 00 30 or the Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581 is a part of this policy, the following applies:

a. We will pay reasonable and necessary "emergency event extra expense" caused by or resulting from a "covered emergency" at the "covered location" during the "emergency event period of restoration" to:

(1) Avoid or minimize the "suspension" of your business and to continue "operations" at the "covered location" or at temporary or replacement location(s). This includes but is not limited to temporary additional security, relocation expenses and

additional costs to equip and operate the temporary or replacement location; or

(2) Minimize the "suspension" of business if you cannot continue your "operations".

b. This coverage ends the earlier of:

(1) The date your "operations" are restored to a similar condition that would have existed had the "covered emergency" not occurred; or

(2) Sixty (60) consecutive days after the "covered emergency" event occurs.

c. "Emergency Event Extra Expense" does not include:

(1) ransom, extortion or other type of funds paid directly or indirectly to actual or alleged perpetrators causing, or threatening to cause, a "covered emergency"; or

(2) any reward funds.

3. **Resumption of Operations** – We will reduce the amount of:

a. "Emergency event business income" to the extent you can resume your "operations", in whole or in part, at the affected "covered location" or elsewhere; and

b. "Emergency event extra expense" loss to the extent you can return "operations" to normal and discontinue such "emergency event extra expense".

If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

## C. "Post Emergency Event Expense"

1. We will pay an "invitee's" "post emergency event expense" for sixty (60) consecutive days after the "covered emergency", subject to the Post Emergency Event – Per Person Limit of Insurance shown in the Schedule above.

2. Coverage is extended only to those "invitees" present at the affected "covered location" when the "covered emergency" occurred and whose treatment or expense arises directly from the trauma suffered from the "covered emergency".

3. The aggregate limit shown in the Schedule above is the most we will pay for the sum of all "post emergency event expense" in any policy period.

**D. Exclusions****1. Deleted Exclusions - Emergency Event Management Coverage Endorsement**

For the purpose of coverage under this endorsement only, the following exclusions under the Causes of Loss – Special Form CP 10 30 are deleted:

- a. **B.1.h. “Fungus”, Wet Rot, Dry Rot and Bacteria;**
- b. **B.2.h. Dishonest or Criminal Acts;**
- c. **B.3.b. Acts or Decisions; and**
- d. **B.3.c. (1) – (4) Faulty, Inadequate or Defective actions, activities or materials.**

**2. Additional Exclusions - Emergency Event Management Coverage Endorsement**

- a. For the purpose of coverage under this endorsement only, the following exclusions are added to **B. Exclusions**, Paragraph 1., Causes of Loss – Special Form CP 10 30:

We will not pay for loss or damage caused directly or indirectly by any of the following, regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- (1) Windstorm or hail;
- (2) Dishonest or criminal act by you, any of your partners, directors, officers or trustees whether:
  - (a) Acting alone or in collusion with each other or with any other party; or
  - (b) Whether or not occurring in the course and scope of employment, during the hours of employment or during your normal hours of operation.

- b. For the purpose of coverage under this endorsement only, the following exclusions are added to **B. Exclusions** of Causes of Loss – Special Form CP 10 30:

We will not pay for:

- (1) Any legal fees or costs, including but not limited to defense costs related to a claim or suit by a third party for bodily injury or property damage;
- (2) The cost to decontaminate, clean, repair, remediate, maintain or replace Covered Property;
- (3) Costs or expenses incurred by any person(s) who directly or indirectly instigated, threatened, funded,

perpetrated, participated, supported or was otherwise involved in the activities leading to the “covered emergency”; or

- (4) Any cost or expense reimbursable by a state or federal agency, or under workers compensation or similar laws.

- E. For the purpose of coverage under this endorsement only, **D. Deductible**, of the Building and Personal Property Coverage Form CP 00 10 does not apply.

**F. Loss Conditions**

- 1. For the purpose of coverage under this endorsement only, **E. Loss Conditions**, Paragraph 3. **Duties in The Event Of Loss Or Damage** of the Building and Personal Property Coverage Form CP 00 10 and **C. Loss Conditions**, Paragraph 2. **Duties in the Event of Loss** of the Business Income (and Extra Expense) Coverage Form CP 00 30 or Business Income (and Extra Expense) – Actual Loss Sustained 411-0581 are replaced by the following:

**Duties In The Event Of Loss**

- a. In the event of a “covered emergency” you must:

- (1) Notify law enforcement if a law may have been broken.
- (2) Give us notice of any “covered emergency” or event that is likely to lead to a “covered emergency” within forty-eight (48) hours of the time you, or any of your partners, directors, officers, trustees or employees with management or supervisory authority, first become aware of it.

Such notice must include, but is not limited to:

- (a) Specifics as to when, where and how the “covered emergency” occurred or is occurring;
- (b) The name, address and any other pertinent information pertaining to any injured persons including the cause, nature, location and extent of their injuries;
- (c) The name, address and any other pertinent information pertaining to:
  - (i) witnesses to the event, its origins or injuries to any person;
  - (ii) emergency responders; and
  - (iii) potential or known perpetrators;

- (d) Response activities undertaken by you or others to address the consequences of the "covered emergency"; and
  - (e) The nature and location of any physical damage to the "covered location" arising out of the "covered emergency" and the current repair status of such damage.
- (3) Take all reasonable steps to protect your "invitees" and the Covered Property at the "covered location" from further injury or damage, and keep a record of your expenses necessary to do so for consideration in the settlement of the claim. These actions do not guarantee such expenses will be covered nor will they increase the Limit of Insurance. In addition, we will not pay for any subsequent injury, loss or damage resulting from other than a "covered emergency". Also, if feasible, preserve and set damaged property aside and in the best possible order for examination.
- (4) As often as may be reasonably required, permit us to inspect the property proving the injury, loss or damage, and examine your books and records.
- Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (5) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (6) Cooperate with us in the investigation or settlement of the claim.
- (7) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records.
- In the event of an examination, an insured's answers must be signed.

2. For the purpose of coverage under this endorsement only, **E. Loss Conditions**, Paragraph 4. **Loss Payment**, of the Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

#### 4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this endorsement and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

#### G. Additional Conditions

For the purpose of coverage under this endorsement only:

- 1. **F. Additional Conditions**, Paragraph 1. **Coinsurance** of the Building and Personal Property Coverage Form CP 00 10 does not apply.
- 2. **D. Additional Condition, COINSURANCE** of the Business Income (and Extra Expense) Coverage Form CP 00 30 does not apply.
- 3. The following Additional Condition is added:

#### Other Insurance

If there is other insurance covering the same loss, we will pay only the amount of the covered loss in excess of the amount due from the other insurance, whether collectible or not. If the other insurance covers the same loss but includes a deductible, we will pay the deductible. Other insurance includes but is not limited to the insurance coverage or non-insurance services provided by an employer's Employee Assistance Plan or similar mental health service. Regardless of other insurance, we will not pay more than the applicable Limit of Insurance shown in the Schedule of this endorsement.

#### H. Definitions

For the purpose of coverage under this endorsement only, the following Definitions are added.

- 1. "Contaminated" or "contamination" means unfit for use by the introduction of unwholesome or undesirable elements.
- 2. "Covered Emergency" means the following:

#### a. Violent Acts

- (1) A violent act at your "covered location", committed with malicious intent by one or more individuals against a person(s) or entity(s), which results in physical injury or death to

such targeted person(s) or bystanders.

This does not include violent acts committed by you, or any of your partners, directors, officers or trustees.

- (2) An attempt or threat of a violent act to be committed at your "covered location", made with malicious intent by one or more individuals against a person(s) or entity(s), which is likely to result in physical injury or death to such targeted person(s) or bystander(s).

- (a) This does not include an attempt or threat of a violent act made by you, or any of your partners, directors, officers or trustees.

- (b) For coverage to apply, such attempts or threats must be credible, plausible and reported to law enforcement.

- (3) A violent act at your "covered location", committed with malicious intent by one or more individuals against any person(s) or entity(s), which results in direct physical loss or damage to your premises or the property of others at the "covered location".

This does not include a violent act committed by you, or any of your partners, directors, officers or trustees.

- (4) An attempt or threat of a violent act to be committed on your "covered location", made with malicious intent by one or more individuals against any person(s) or entity(s), which is likely to result in direct physical loss or damage to your premises or the property of others at the "covered location".

- (a) This does not include an attempt or threat of a violent act made by you, or any of your partners, directors, officers or trustees.

- (b) For coverage to apply, such attempts or threats must be credible, plausible and reported to law enforcement.

#### **b. Premises Contamination**

- (1) Necessary closure of all or part of your "covered location" due to any sudden and accidental

"contamination" or impairment of the "covered location" which results in clear, visible, identifiable, internal or external symptoms of bodily injury, illness, or death of any person(s).

- (2) This includes a "covered location" "contaminated" by "covered illness", but does not include "contamination" of the "covered location", in whole or part, by other "pollutants", "fungi" or bacteria except as provided under "covered illness".

- (3) Confirmation of both the existence of the "covered illness", and "covered location" that the "covered illness" has "contaminated" must be confirmed by a qualified expert or experts and reliable laboratory testing.

#### **c. Contaminated Food or Beverage**

- (1) Necessary closure of all or part of your "covered location" by order of the governing Board of Health because of discovery or suspicion that "contaminated" food or beverage has been served to patrons at your "covered location"; or

- (2) Necessary announcement by you or any governmental body warning the public of a health hazard at your "covered location" because "contaminated" food or beverage has been served to your patrons.

#### **d. Specified Felonies**

The following felonies, whether committed, attempted, or threatened on your "covered premises":

- (1) **Child abduction or kidnapping.** The wrongful and illegal seizure of a child under age sixteen (16) at your "covered location" by someone other than the child's biological, adoptive or foster parents or guardians.

- (2) Stalking and abduction of one or more of your employees or customers by other than a relative;

- (3) Sexual assault; or

- (4) Felonious use of a firearm, other weapon or device designed to cause significant harm or damage;

#### **e. Other Emergency Incidents**

Any one of the following events occurring at your "covered location" and not arising out of a "covered emergency":

- (1) Explosion;



- (2) Fire;
- (3) Construction accident;
- (4) Equipment failure; or
- (5) Workplace accident;

which results in injury or damage to person(s) or property, and adverse regional or national news media coverage of your business or "operations".

3. "Covered Location" means:

- a. That part of a premises you occupy which is listed as a covered location on the Declarations, including the area within 1,000 feet of that premises.
- b. If you have more than one "covered location" under section **a**), the term "covered location" means only the location at which the "covered emergency" occurred.
- c. If you occupy only part of the site at a "covered location", this phrase is further defined as:
  - (1) The portion of the building which you rent, lease or occupy; and
  - (2) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

4. "Covered Illness" means only the following:

- a. bacterial microorganisms transmitted through human contact with food;
- b. hepatitis virus;
- c. legionnaire's disease; and
- d. noroviruses;

as defined by the United States Center for Disease Control.

"Covered Illness" does not include any other type of illness, bacteria, virus or disease.

5. "Emergency event business income" means:

- a. Net income (net profit or loss before income taxes) – including "rental value" - that would have been earned or incurred before the "covered emergency" at the "covered location"; and
- b. Continuing normal operating expenses incurred, including payroll, at the "covered location".

6. "Emergency event communication expense" means:

- a. Reasonable extra expense you incur, within the sixty (60) consecutive day period after the "covered emergency", due

to the use of your staff for necessary communication to your employees, shareholders, customers, government authorities, news media and other members of the public, when such expense is directly related to the "covered emergency"; and

- b. Reasonable fees and costs you incur, within the sixty (60) consecutive day period after the "covered emergency", due to the use of professional crisis management organizations necessary to assist or advise you on communications strategies to:

- (1) Mitigate negative publicity; or
- (2) Restore the image of your enterprise to pre-event levels following a "covered emergency".

7. "Emergency Event Extra Expense" means:

- a. All necessary expenses related to the "covered emergency" that exceed the normal operating expenses that would have been incurred by "operations" during the "emergency event period of restoration" if no "covered emergency" had occurred. We will deduct from the total of such expenses:

- (1) The salvage value of any property bought for temporary use during the "emergency event period of restoration", once "operations" are resumed; and
- (2) Any Extra Expense that is paid for by other insurance, except for insurance that is written, subject to the same plan, terms, conditions and provisions as this insurance;

- b. Necessary expenses that reduce the "emergency event business income" loss that otherwise would have not been incurred.

8. "Emergency event period of restoration" means the period of time that:

- a. Begins:

- (1) For **Business Income** - After the Waiting Period shown in the schedule of this endorsement following the date of the "covered emergency"; and
- (2) For **Extra Expense** – On the date of the "covered emergency"; and

- b. Ends:

**Business Income and Extra Expense –**

On the shorter of:

- (1) The date when, using reasonable speed, the "operations" at your "covered location" should be resumed or the "covered location" can be re-occupied by a tenant; or
  - (2) Sixty (60) consecutive days after the "covered emergency" occurred.
- 9. "Fungi" means any type or form of fungus, including but not limited to fungus, mildew, mold or resulting spores and byproducts, including mycotoxins, or allergens. However, "fungi" does not include "fungi" on food for human consumption.
- 10. "Invitee" means your employees, customers and others with legitimate business on your Covered Property.
- 11. "Operations" means:
  - a. Your business activities occurring at the "covered location"; and
  - b. Rental of your "covered location" for "rental value".
- 12. "Post emergency event expenses" means any of the following reasonable and necessary expenses incurred by an "invitee" at the affected "covered location" when the "covered emergency" occurred:
  - a. Medical treatment expenses;
  - b. Psychological counseling or other mental health treatment expenses;
  - c. Travel costs to and from a local provider of such medical or mental health treatment services; or
  - d. Funeral and burial expenses for those on site "invitees" who died as a result of the "covered emergency".
- 13. "Rental value" means Business Income that consists of:
  - a. Net income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the "covered location" as furnished and equipped by you, including fair rental value of any portion of the scheduled premises which is occupied by you; and
  - b. Continuing normal operating expenses incurred in connection with that scheduled location, including:
    - (1) Payroll; and
    - (2) The amount of charges which are legal obligation of the tenant(s) but would otherwise be your obligations.
- 14. "Suspension" means
  - a. The slowdown or cessation of your business activities; or
  - b. The part or all of the "covered location" that is rendered un-rentable due to the "covered emergency".

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## DATA BREACH COVERAGE FORM

Various provisions in this Coverage Form restrict coverage. Read the entire Coverage Form carefully to determine rights, duties and what is and is not covered.

Throughout this coverage form the words "we", "us" and "our" refer to the Company providing this insurance. The words "you" and "your" refer to the Named Insured shown in the Declarations. Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION F – DEFINITIONS**.

### SCHEDULE

<b>Data Breach Coverage Aggregate Limit of Insurance</b>	<b>\$ 10,000</b>
<b>Data Breach Expense Coverages Aggregate Sublimit of Insurance</b>	<b>\$ 10,000</b>
<b>Additional Expense Coverages Aggregate Sublimit of Insurance</b>	<b>\$ 10,000</b>
<b>Data Breach Coverage Deductible</b>	<b>\$ 1,000</b>
<b>Cyber Business Interruption Waiting Period Deductible</b>	<b>24 Hours</b>
<b>Premium:</b>	<b>\$ 55</b>

### SECTION A – COVERAGES

We will provide Data Breach Services, Data Breach Expense Coverages and Additional Expense Coverages as described below if you have a "data breach" that:

- a. Is discovered during the "policy period" of this Data Breach Coverage Form; and
- b. Is reported to us within 30 days of your discovery of the "data breach".

#### 1. Data Breach Services, Data Breach Expense Coverages, Additional Expense Coverages

##### a. Data Breach Services

##### (1) Consulting Services

If you contact our Designated Service Provider, they will provide Consulting Services to assist you with:

- (a) Notification requirements pursuant to "breach notice laws";
- (b) Drafting your notification letters; and
- (c) Media interface and press release drafting.

##### (2) Help Line

Provide a toll-free telephone line for "potentially-identified persons" with questions about the "data breach".

##### (3) Fraud Alert

A "potentially-identified person" who contacts our Designated Service Provider can place a Fraud Alert on his or her credit file(s) with the main

credit bureaus warning potential credit grantors to check with the "potentially-identified person" before extending credit in his or her name or on his or her behalf.

#### (4) Identity Restoration Case Management

An "identified person" who contacts our Designated Service Provider will be assisted by an identity restoration professional to help to correct his or her credit and other records and to restore control over his or her personal identity.

These Data Breach Services will be provided by our Designated Service Provider, as described in Paragraphs **15. and 16. of Section E. Conditions**, for a period of one year from the date the Data Breach Services are initiated.

Data Breach Services are only available if the jurisdiction or country where the "potentially-identified person" resides maintains "breach notice law" and, in the case of Fraud Alert, an operative credit monitoring service.

#### b. Data Breach Expense Coverages

We will pay your reasonable and necessary expenses incurred for the following Covered Expenses up to the limits of insurance described in **Section C – Limits of Insurance**:

#### (1) Notification to Potentially-Identified Persons – expenses to provide

notification of the "data breach" to "potentially-identified persons":

(a) As required by applicable "breach notice law"; or

(b) If reasonably necessary to maintain your business.

Covered expenses include the printing, postage and handling of notification letters or other means of disclosing the breach to "potentially-identified persons".

(2) **Forensic Analysis** – expenses to assess:

(a) The severity of the "data breach";

(b) The nature and extent of the "data breach";

Forensic Analysis expenses do not include the cost of restoration.

(3) **Proactive Monitoring Services Expense Coverage** – Expenses for "proactive monitoring services" provided to "potentially-identified persons" in jurisdictions or countries with operative credit monitoring services as provided through our Designated Service Provider.

Under this coverage we will only pay for expenses that you incur through our Designated Service Provider.

Services provided for Covered Expenses provided in **b.(1), b.(2) and b.(3)** above must be approved by us as described in **SECTION E – CONDITIONS, Paragraph 15. Service Providers.**

(4) **Breach Restoration Expenses**

We will pay "Breach Restoration Expenses" directly resulting from a "data breach" which is first discovered during the "policy period" and which results in the damage, deletion or destruction of "data" owned by you or for which you are legally liable.

(5) **Cyber Business Interruption and Extra Expense**

We will pay actual loss of "business income" and additional "extra expense" incurred by you during the "period of restoration" directly resulting from a "data breach" which is first discovered during the "policy period" and which results in an actual impairment or denial of service of

"business operations" during the "policy period".

### c. **Additional Expense Coverages**

We will pay your reasonable and necessary expenses incurred for the following Additional Expense Coverages. These expenses are subject to the limits of insurance described in **Section C – Limits of Insurance.**

(1) **Legal Services** – expenses incurred within the first six months following the discovery and reporting of a "data breach" as provided in this Section for approved outside professional legal counsel review and recommendations as to how you should respond to it, including final legal review of the proposed breach notification letter(s). However, we will not pay for expenses for legal counsel to review any third party liability litigation or notification of potential litigation.

(2) **Public Relations** – expenses incurred within the first six months following the discovery and reporting of a "data breach" as provided in this Section for approved outside public relations firm or crisis management firm recommendations for restoring the confidence of your customers and investors in the security of your company and its systems.

(3) **Third Party "Data Breach"** – expenses for notification to "potentially-identified persons" with whom you have a direct relationship when a "data breach" is sustained by a third party to whom you have sent "private personal data" to be under that third party's care, custody and control. This includes a "data breach" that occurs while transmitting or transporting the data to that third party. Covered expenses for this Additional Covered Expense are limited to the printing, postage and handling of notification letters to "potentially-identified persons".

Service providers for Additional Expense Coverage provided in paragraphs **c.(1), c.(2) and c.(3)** must be approved by us as described in **SECTION E – CONDITIONS, Paragraph 15. Service Providers.**

(4) **Data Breach Ransom Coverage** – monies extorted from and paid by you because or a threat or connected

series of threats to commit an intentional attack on your computer systems that if so committed, would result in a "data breach". This Data Breach Ransom Coverage is subject to the following conditions:

- (a) You must receive approval from us prior to the payment of any monies;
- (b) Any monies paid must only be to terminate or end the threat;
- (c) The threat must be one which, if carried out, would have led to a "data breach" that would have been covered under this Coverage Form had the monies not been paid;
- (d) The threat must have been made during the coverage period of this Data Breach Coverage Form;
- (e) The applicable Federal, state and/or local law enforcement authority was notified of the threat prior to any payment you make for which you are seeking reimbursement under this Additional Expense Coverage;
- (f) The threat must not have been committed by any of your employees or former employees, vendors or independent contractors hired by you;
- (g) You must make every reasonable effort not to divulge the existence of this Data Breach Ransom Coverage; and
- (h) You agree to keep confidential any amounts paid under this Data Breach Ransom Coverage except for any disclosure we approve in advance of that disclosure.

**(5) Data Breach Reward Coverage –** monies you pay for information leading to the arrest and conviction of any individual(s) who committed an illegal act(s) related to a "data breach" covered under this Coverage Form.

However, we will not pay for information that was provided by:

- (a) You;
- (b) Your internal or external auditors;
- (c) Any vendor or independent contractor hired by you;

(d) Any individual or firm hired by you to investigate the illegal act described above; or

(e) Any individual(s) with supervisory or management responsibility of any of the individual(s) described above.

**(6) Data Breach Investigations**

We will pay "defense expenses" directly resulting from a "regulatory investigation" regarding a "data breach" first discovered by you during the "policy period".

**(7) Data Breach Theft**

We will pay for loss resulting directly from your transfer, payment, or delivery of funds due to the fraudulent input of "data" directly into your "system" or through a "network" into your "system". Loss must first be discovered by you during the "policy period".

**SECTION B – EXCLUSIONS**

1. The following exclusions apply to Data Breach Services, Data Breach Expense Coverages and Additional Expense Coverages.

This insurance does not apply to:

**a. Costs to Research or Correct Deficiencies**

Any costs to research any deficiency, except as specifically provided under **SECTION A – COVERAGES**, Paragraph **1.b.(2) Forensic Analysis**, or any costs to correct any deficiency.

This includes, but is not limited to, any deficiency in your systems, procedures or physical security that may have contributed to a "data breach".

**b. Criminal Investigation or Proceedings**

Any costs arising out of criminal investigations or proceedings.

**c. Fines, Penalties or Assessments**

Any "fines, penalties, fees or assessments". This includes but is not limited to fees or surcharges from financial institutions.

**d. Defense or Legal Liability**

Any fees, costs, settlements, judgments, or liability of any kind arising in the course of, or as a result of a claim for damages, lawsuit, administrative proceedings, or governmental investigation against or involving you, except as provided under **SECTION A – COVERAGES**, Paragraph **1.c.(6) Data Breach Investigations**.

**e. Other Economic Costs**

Any other costs or expenses not expressly provided for under Data Breach Services, Data Breach Expense Coverages and Additional Expense Coverages provided in Paragraphs 1.a. through 1.c. Costs or expenses that we do not cover include but are not limited to expense to reissue credit or debit cards.

**f. Consequential Loss**

Any costs, or any other loss, caused by or resulting from delay, loss of use, loss of existing or prospective markets or any other consequential loss. This exclusion does not apply to **SECTION A – COVERAGES**, Paragraph 1.b.(5) **Cyber Business Interruption and Extra Expense**.

**g. Contractually Assumed Liability**

Legal obligations arising by reason of assumption of liability in a contract or agreement.

**h. Victim Expenses or Losses**

Costs or losses incurred by a victim of "data breach" or fraud activity except as provided for under Data Breach Services, Data Breach Expense Coverages and Additional Expenses Coverages provided in Paragraphs 1.a. through 1.c.

**i. Alternative Travel Arrangements or Fees**

Payment of alternative travel arrangements or additional fees.

**j. Psychological Counseling**

Psychological counseling for victims of a "data breach" or fraud activity.

**k. Legal Advice or Services**

Legal advice or other legal services, except as provided by the Legal Services Additional Expense Coverage, Paragraph 1.c.(1).

**l. Information Recapture**

Any costs or losses for the recapture of lost, stolen or destroyed information.

**m. Dishonesty**

Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of law by you, any of your partners, directors or trustees:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

**n. Governmental Action**

Seizure or destruction of property by order of governmental authority. Such loss or damage

is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

**o. Intentional or Willful Complicity**

Your intentional or willful complicity in a "data breach".

**p. Prior Discovery**

Any "data breach" discovered prior to the inception of this Data Breach Coverage Form.

**q. Threats, Extortion or Blackmail**

Any threat, extortion or blackmail including but not limited to, ransom payments and private security assistance except as provided in the Data Breach Ransom Coverage Additional Expense Coverage under Paragraph 1.(c)(4).

**r. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

**s. War and Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

2. The following exclusions apply to Breach Restoration Expenses, Cyber Business Interruption and Extra Expense, Data Breach Investigations, and Data Breach Theft only.

This insurance does not apply to:

**a. Investigations**

Costs, fees or expenses incurred or paid by you in establishing the existence of, or amount of loss, damage or expense.

**b. Non-monetary Relief**

Costs of compliance with any order for, grant of or agreement to provide non-monetary relief, including injunctive relief.

**c. Potential Income**

Potential income including interest and dividends not realized by you; however, this Exclusion shall not apply to loss of "business income" as provided under **SECTION A –**



**COVERAGES, Paragraph 1.b.(5) Cyber Business Interruption and Extra Expense.****d. Return of Payments**

Return of fees, charges, commissions or other compensation paid to you.

**e. System Changes**

Costs or "expenses" incurred to replace, upgrade, update, improve, or maintain a "system".

**f. Uniform Commercial Code**

Loss, damage, costs or "expenses" you agree to incur or incur on behalf of another natural person or entity when you are not obligated to incur such loss, costs or "expenses" under the Uniform Commercial Code or any other law, statute, rule or code anywhere in the world, including the rules or codes of any clearing or similar entity. This Exclusion does not apply to

**SECTION A – COVERAGES, Paragraph 1.b.(5) Cyber Business Interruption and Extra Expense.**

**SECTION C – LIMITS OF INSURANCE**

1. The most we will pay for all Data Breach Expense Coverages and Additional Expense Coverages combined is the Data Breach Coverage Aggregate Limit of Insurance shown in the **SCHEDULE** of this Data Breach Coverage Form. The Data Breach Coverage Aggregate Limit of Insurance is an annual aggregate limit and is the most we will pay for the total of the covered losses and expenses for all "data breach" events discovered by you during the current "policy period" regardless of the number of "data breach" events.
2. The Data Breach Expense Coverages Aggregate Sublimit of Insurance shown in the **SCHEDULE** of this Data Breach Coverage Form is the most we will pay under all Data Breach Expense Coverages combined for the total of all covered losses and expenses arising out of all "data breach" events during the "policy period" regardless of the number of "data breach" events. The Data Breach Expense Coverage Aggregate Sublimit of Insurance is part of, and not in addition to, the Data Breach Coverage Aggregate Limit of Insurance
3. The Additional Expense Coverages Aggregate Sublimit of Insurance shown in the **SCHEDULE** of this Data Breach Coverage Form is the most we will pay under all Additional Expense Coverages combined for the total of all covered losses and expenses for all "data breach" events during the "policy period" regardless of the number of "data breach" events. The Additional Expense Coverages Aggregate Sublimit of Insurance is part of, and not in addition to, the Data Breach Coverage Aggregate Limit of Insurance.

4. Regardless of the number of years this Data Breach Coverage Form remains in force or the number of premiums paid, no limits of insurance cumulate from this "policy period" to subsequent "policy periods".

**5. Discovery Policy Period Limits Apply**

A "data breach" may be first discovered by you in one "policy period", but cause covered loss or expenses in one or more subsequent "policy periods". If so, all covered loss or expenses for the "data breach" will be limited to the Data Breach Coverage Aggregate Limit of Insurance, the Data Breach Expense Coverages Aggregate Sublimit of Insurance and the Additional Expense Coverages Aggregate Sublimit of Insurance described respectively in Paragraphs 1., 2. and 3. above that are applicable to the "policy period" when the "data breach" was first discovered by you.

**6. Time Limits**

- a. You must report a "data breach", to us on or within 30 days of your discovery of the "data breach".
- b. You have up to one year from the date of reporting a "data breach", to initiate the services afforded to you.
- c. A "potentially-identified person" has up to one year from the date he or she receives notification of a "data breach" to initiate the services afforded to him or her.
- d. Once initiated, the services afforded to a "potentially-identified person" will continue for one year.
- e. Data Breach Services under **Section A – Coverages, Paragraph 1.a.** will be provided by our Designated Service Provider for a period one year from the date the Data Breach Services are initiated.

**SECTION D – DEDUCTIBLE**

The Data Breach Expense Coverages and Additional Expense Coverages provided under this Coverage Form are subject to the Data Breach Coverage Deductible shown in the **SCHEDULE** of this Coverage Form. The Data Breach Coverage Deductible applies to covered loss and expense arising out of each "data breach". Our obligation to make payments under Data Breach Expense Coverages and Additional Expense Coverages applies only to that part of covered loss and expense arising out of a single "data breach" event which is in excess of the Data Breach Coverage Deductible.

The Data Breach Coverage Deductible does not apply to **SECTION A –COVERAGES, paragraph 1.b.(6) Cyber Business Interruption and Extra Expense.** Losses payable under Cyber Business Interruption and Extra Expense are subject to the Cyber Business

Interruption Waiting Period Deductible shown on the **SCHEDULE** of this Coverage Form.

## **SECTION E – CONDITIONS**

### **1. Duties in the Event of a Data Breach.**

You must see that the following are done in the event of a “data breach”:

- a. Notify the police if a law may have been broken.
- b. Give us prompt notice of the “data breach”. As stated in **SECTION A – COVERAGES**, paragraph **b.**, you must report the “data breach” to us within 30 days of the date you first discover it.
- c. As soon as possible, give us, and/or our Designated Service Provider, a description of how, when and where the “data breach” occurred, including all of the following information as it becomes known to you:
  - (1) The method of “data breach”;
  - (2) The approximate date and time of the “data breach”;
  - (3) The approximate number of “potentially-identified persons” compromised as a result of the “data breach”;
  - (4) A detailed description of the type and nature of the information that was compromised;
  - (5) Whether or not the information was encrypted, and, if so, the level of encryption;
  - (6) Whether or not law enforcement has been notified;
  - (7) If available, the states in which the “potentially-identified persons” are domiciled;
  - (8) If available, who received the “private personal data” as a result of the “data breach”; and any other access, information or documentation we reasonably require to investigate or adjust your claim.
- d. Take all reasonable steps to protect “private personal data” remaining in your care, custody or control.
- e. Preserve all evidence of the “data breach”.
- f. Permit us to inspect the property and records proving the “data breach”.
- g. If requested, permit us to question you under oath at such times as may be reasonably required about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed.

- h. Send us a signed, sworn statement containing the information we request to investigate the claim. You must do this within 30 days after our request. We will supply you with the necessary forms.

- i. Cooperate with us in the investigation or settlement of the claim.

### **2. Concealment, Misrepresentation or Fraud**

This coverage is void in any case of fraud by you as it relates to this Data Breach Coverage Form. It is also void if you intentionally conceal or misrepresent a material fact concerning this Coverage Form or a claim under this Coverage Form.

### **3. Control of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Form at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

### **4. Two or More Coverage Parts, Forms, Endorsements or Policies Issued By Us**

It is our stated intent that the various coverage parts, forms, endorsements or policies issued to you by us or any company affiliated with us do not provide any duplication or overlap of coverage for the same loss, damage, expense or “data breach”. If this coverage form and any other coverage part, form, endorsement or policy issued to you by us or any company affiliated with us apply to the same loss, damage, expense, or “data breach”; the maximum Limit of Insurance under all such coverage parts, forms, endorsements or policies combined shall not exceed the highest applicable Limit of Insurance under any one coverage part, form, endorsement or policy.

If two or more of the coverages provided under this coverage form apply to the same loss, damage, expense or “data breach”; we will not pay more than the actual amount of the loss, damage or expense.

### **5. Legal Action Against Us**

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date of the “data breach” is first discovered by you.

### **6. Liberalization**

If we adopt any revision that would broaden the coverage under this Data Breach Coverage Form



without additional premium within 45 days prior to or during the "policy period", the broadened coverage will immediately apply to this coverage form.

#### **7. No Benefit to Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

#### **8. Other Insurance**

- a. If you may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Data Breach Coverage Form, we will pay only our share of the covered loss, damage or expense. Our share is the proportion that the applicable Limit of Insurance under this Coverage Form bears to the Limits of Insurance of all insurance covering on the same basis.
- b. If there is other insurance covering the same "data breach", other than that described in a. above, we will pay only for the amount for Data Breach Services, Data Breach Expense Coverages, and Additional Expense Coverages in excess of the amount due from that other insurance. We will not pay more than the applicable Limit of Insurance shown in the **SCHEDULE**.

#### **9. Policy Period, Coverage Territory**

Under this Endorsement:

##### **a. Policy Period**

This policy applies only to "data breaches" that are first discovered by you during the "policy period".

##### **b. Coverage Territory**

Coverage applies anywhere in the world, provided that no trade or economic sanction, embargo, insurance or other laws or regulations prohibit the "insurer" from covering the loss. The "data breach" must involve "private personal data" that was within your care, custody or control.

Data Breach Services are only available in jurisdictions or countries that maintain "breach notice law" and, in the case of Fraud Alert, an operative credit monitoring service.

#### **10. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you

may waive your rights against another party in writing:

- a. Prior to a loss.
- b. After a loss only if, at time of loss, that party is one of the following:
  - (1) Someone insured by this insurance;
  - (2) A business firm:
    - (a) Owned or controlled by you; or
    - (b) That owns or controls you; or
- c. Your tenant.

This will not restrict your insurance.

#### **11. Cancellation**

With regard to the cancellation of this policy, the provisions outlined in the Common Policy Conditions, Businessowners Coverage Part, Technology Professional Advantage, the Technology Professional Advantage Plus, whichever are included in the policy, shall apply and will automatically include the non-renewal or cancellation of this coverage form. You agree that no further notice regarding termination of this Coverage Form will be required.

#### **12. Due Diligence**

You agree to use due diligence to prevent and mitigate loss covered under this Coverage Form. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for providing and maintaining the following:

- a. Physical security for your premises, computer systems and hard copy files;
- b. "Computer" and Internet security;
- c. Periodic backups of computer data;
- d. Protection, including but not limited to, encryption of data, for transactions such as processing credit card, debit card and check payments; and
- e. Disposal of files containing "personal private data", including but not limited to shredding hard copy files and destroying physical media used to store "data".

#### **13. No Legal Advice Provided**

We are not your legal advisor and do not provide legal counsel to you. None of the services we provide under this Coverage Form constitute legal advice to you by us. Our determination of what is or is not covered under this Coverage Form does not represent legal advice or counsel from us about what you should or should not do.

#### **14. Pre-Notification Consultation**

You agree to consult with us prior to the issuance of notification to "potentially-identified persons". We assume no responsibility under this Coverage

Form for any services promised to “potentially-identified persons” without our prior agreement. You must provide the following at our pre-notification consultation with you:

- a. The exact list of “potentially-identified persons” to be notified, including contact information.
- b. Information about the “data breach” that may appropriately be communicated with “potentially-identified persons”.

#### 15. Service Providers

- a. We will only provide Data Breach Services through our Designated Service Provider(s). Any such services that are provided by any other individual or entity will not be covered by this Coverage Form.
- b. We will only pay Data Breach Expense Coverages and Additional Expense Coverages (except for Data Breach Ransom Coverage and Data Breach Reward Coverage) that are provided by service providers approved by us prior to the start of any of these services. If we suggest a service provider(s) but you prefer to use an alternative service provider(s), our coverage is subject to the following limitations:
  - (1) Such alternate service provider(s) must be approved by us; and
  - (2) Our payment for services provided by any alternative service provider(s) will not exceed the amount that we would have paid using the service provider we had suggested.
- c. You will have a direct relationship with any service provider, including our Designated Service Provider, paid for in whole or in part under this Coverage Form. All service providers work for you.

#### 16. Data Breach Services

The following conditions apply with respect to any data breach services provided to you or to any “potentially-identified person” or “identified person” by our designees or any service firm paid for under this Data Breach Coverage Form:

- a. The effectiveness of data breach services depends on your cooperation and assistance.
- b. All data breach services may not be available or applicable to all “potentially identified persons” or “identified persons”. For example, “potentially identified persons” who are minors or foreign nationals may not have credit records that can be provided or monitored.
- c. We do not warrant or guarantee that the data breach services paid for in whole or in part by this Coverage Form will end or eliminate all

problems associated with a covered “data breach”.

- d. We are not liable for any act or omission by any Designated Service Provider who is not our employee nor the employee of a third party provider of the data breach services described in this Coverage Form. We cannot be held responsible for failure to provide or for the delay in providing services when such failure or delay is caused by conditions beyond our control
- e. Data Breach Services are only available in jurisdictions or countries that maintain “breach notice law” and, in the case of Fraud Alert, an operative credit monitoring service.

#### 17. Cooperation

You agree to cooperate with and provide full disclosure of the circumstances surrounding a “data breach” to applicable federal or state regulators, law enforcement personnel, to us, and to our Designated Service Provider(s).

If you fail to cooperate, we will not be obliged under this contract for any services and expenses that cannot be provided due to your failure to cooperate.

#### 18. Appraisal

If we and you disagree on the amount of net income, operating expense or loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of the net income, operating expense and loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

#### SECTION F – DEFINITIONS

##### 1. Account Takeover

“Account takeover” means the takeover by a third party of one or more existing deposit accounts, credit card accounts, debit card accounts, ATM cards, or lines of credit in the name of an “identified person”.

##### 2. Breach Notice Law

“Breach Notice Law” means any federal, state, local or foreign privacy legislation, regulation and

their functional equivalent that requires an entity to provide notice to affected natural persons or data protection authorities regarding any actual or potential unauthorized access to "private personal data".

### 3. Breach Restoration Expenses

"Breach Restoration Expenses" means the reasonable cost of the blank "media" and the reasonable cost of labor for the actual transcription or copying of "data" or "media" in order to reproduce such "data" or replace such "media" from "data" and/or media of comparable kind or quality.

### 4. Business Income

"Business Income" means your:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if there had been no impairment or denial of "business operations" due to a covered "data breach" and
- b. Continuing normal operating expenses incurred, including payroll.

"Business income" does not include interest or investment income.

### 5. Business Operations

"Business Operations" means your usual and regular business activities.

### 6. Computer

"Computer" means a device or group of hardware devices on which software, applications, script, code and "computer" programs containing "data" can be operated and viewed.

### 7. Cyber Attack

"Cyber Attack" means the transmission of fraudulent or unauthorized "data" that is intended to and successfully modifies, alters, damages, destroys, deletes, records, transmits, or consumes information within a "system" without authorization, including "data" that is self-replicating or self-propagating, and which causes the disruption of the normal operation of a "system".

### 8. Data

"Data" means a representation of information, knowledge, facts, concepts or instructions which are being processed or have been processed in a "computer".

### 9. Data Breach

"Data breach" means:

- a. The loss, theft, accidental release or accidental publication of "private personal data" entrusted to you as respects one or more "potentially-identified persons" if such loss, theft, accidental release or accidental

publication has or could reasonably result in the fraudulent use of such information;

- b. Failure to protect "private personal data" including a "Cyber Attack" on your "system" or the actions of a "rogue employee" which directly results in the unauthorized disclosure of "private personal data";
- c. The theft or negligent loss of hardware, "media", "system output", "data" or other documents owned or controlled by you, or on your behalf, on which "private personal data" is stored or recorded;
- d. The failure or violation of the security of your "system" including the impairment or denial of access to your "system", including a "Cyber Attack" or unauthorized acts or omissions by a "rogue employee" which damages or harms your "system" or the "system" of a third party for whom you provide "services" for a fee;
- e. The theft or loss of hardware or "media" controlled by you, or on your behalf, on which "data" is stored;
- f. Disposal or abandonment of "private personal data" without appropriate safeguards such as shredding or destruction, subject to the following provisions:
  - (1) Your failure to use appropriate safeguards must be accidental and not intentional, reckless or deliberate and not in violation of your Due Diligence obligations under Paragraph 2. **Additional Conditions**, Paragraph a.;
  - (2) Such disposal or abandonment must take place during the time period for which this Data Breach Coverage Form is effective; or
- g. The failure to disclose an event described in a. thru f. above which violates any "breach notice law".

All incidents of "data breach" that are discovered at the same time or arise from the same cause or from a series of similar causes would be considered one "data breach". All theft of "private personal data" caused by any person or in which that person is involved, whether the result of a single act or series of related acts, is considered a single incident of "data breach".

### 10. Defense Expenses

"Defense Expenses" means the reasonable and necessary legal fees and expenses including attorney fees and expert fees incurred by us or by you (other than regular or overtime wages, salaries, fees or benefits of you or your employees) in the investigation, defense, settlement and appeal of a claim, including but not

limited to cost of consultants and witnesses, premiums for appeal, injunction, attachment or supersedes bonds regarding such claim.

#### 11. Electronic Data

"Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

#### 12. Expense

"Expense" means "Business Income", "Extra Expense", "Breach Restoration Expenses", and loss payable under the Data Breach Theft coverage incurred by you.

#### 13. Extra Expense

"Extra Expense" means the reasonable and necessary expenses you incur during the "period of restoration" in an attempt to continue "business operations" that have been interrupted due to a "data breach" and that are over and above the expenses such you would have incurred if no loss had occurred. "Extra expense" does not include any costs of updating, upgrading or remediation of your "system" that are not otherwise covered under this Coverage Part.

#### 14. Fines, Penalties or Assessments

"Fines, penalties or assessments" means any fines, assessments, surcharges, attorneys' fees, court costs or other penalties which you shall be required to pay as a result of a "data breach" or pursuant to any contract, law, regulation or order.

#### 15. Identified Person

"Identified person" means a "potentially-identified person" who is or appears to be a victim of "identity theft" or "account takeover" that may reasonably have arisen from a covered "data breach".

#### 16. Identity Theft

"Identity theft" means the fraudulent use of "private personal data". This includes the fraudulent use of such information to establish credit accounts, secure loans, enter into contracts or commit crimes.

"Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

"Identity theft" does not include the use of a valid credit card, credit account or bank account. However, "identity theft" does include the fraudulent alteration of account profile information, such as the address to which statements are sent.

#### 17. Media

"Media" means electronic applications, software, scripts and programs on which "data" is stored so that it can be collected, read, retrieved or processed by a "computer". "Media" does not mean paper, or other tangible property, money, debt, equity, instruments, accounts, bonds, bills, records, abstracts, deeds or manuscripts

#### 18. Network

"Network" means any services provided by or through the facilities of any electronic or "computer" communication system, allowing the input, output, examination, visualization or transfer of "data" or programs from one "computer" to your "computer". "Network" includes any shared networks, Internet access facilities, or other similar facilities for such systems, in which you participate.

#### 19. Period of Restoration

"Period of Restoration" means:

- a. The period of time that begins:
  - (1) For "Extra Expenses", immediately after the actual or potential impairment or denial of "business operations" occurs; and
  - (2) For the loss of "Business Income", after 24 hours or the number of hours shown as the Cyber Business Interruption Waiting Period Deductible in the **SCHEDULE** on this Coverage Forms, whichever is greater, immediately following the time the actual impairment or denial of "business operations" first occurs.
- b. The "Period of Restoration" ends on the earlier of the following:
  - (1) The date "business operations" are restored, with due diligence and dispatch, to the condition that would have existed had there been no impairment or denial; or
  - (2) Sixty (60) days after the date the actual impairment or denial of "business operations" first occurs;

The expiration date of this Policy or Coverage Part will not cut short the "period of restoration".

#### 20. Policy Period

"Policy Period" means the period of time from the inception date shown the Declarations to the earlier of the expiration date shown in the



Declarations or the effective date of termination of the Policy or Data Breach Coverage Form.

## **21. Potentially-Identified Person**

"Potentially-identified person" means any person who is your current, former or prospective customer, employee, client, member, or patient and whose "private personal data" is lost, stolen, accidentally released or accidentally published by a "data breach" covered under this Coverage Form.

"Potentially-identified person" does not include any business or organization. Only an individual person may be a "potentially-identified person".

A "potentially-identified person" may reside anywhere in the world.

## **22. Private Personal Data**

"Private Personal Data" means a natural person's first name or first initial and last name in combination with:

- a. Non-public personally identifiable information, as defined in applicable federal, state, local or foreign legislation or regulations including, social security number, driver's license number or other personal identification number (including an employee identification number or student identification number);
- b. Financial account number (including a bank account number, retirement account number or healthcare spending account number);
- c. Credit, debit or payment card numbers;
- d. Information related to employment by you;
- e. Individually identifiable information considered nonpublic personal information pursuant to Title V of the Gramm-Leach Bliley Act of 1999, as amended; or
- f. Individually identifiable information considered protected health information pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended;

which is intended to be accessible only by natural persons or entities you have specifically authorized to have such access.

"Private personal data" does not mean or include information that is otherwise available to the public, such as names and addresses with no

correlated Social Security numbers or account numbers.

## **23. Proactive Monitoring Services**

"Proactive monitoring services" means the following services if you offer to provide them to "potentially-identified persons" who contact our Designated Service Provider:

- a. A credit report;
- b. credit monitoring; and or
- c. fraud/public records monitoring service or services.

## **24. Regulatory Investigation**

"Regulatory Investigation" means a formal request for information, civil investigative demand or civil proceeding, including requests for information related thereto, brought by or on behalf of a state Attorney General, the Federal Trade Commission, the Federal Communications Commission or any other federal, state, local or foreign governmental agency.

## **25. Rogue Employee**

"Rogue Employee" means a permanent employee of yours, other than an "executive", who has gained unauthorized access or has exceeded authorized access to a "system" or "private personal data" owned or controlled by you or an entity that is authorized by you to hold, process or store "private personal data" for your exclusive benefit.

## **26. Services**

"Services" means "computer" time, data processing, storage functions or other uses of your "system".

## **27. System**

"System" means a "computer", "media" and all input, output, processing storage and communication devices controlled, supervised or accessed by operating software that is proprietary to, or licensed to, the owner of the "computer".

## **28. System Output**

"System Output" means a tangible substance on which "private personal data" is printed from a "System".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ASSOCIATES AND FAMILY MEMBERS ADDITIONAL COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

### DATA BREACH COVERAGE FORM

The following Additional Coverage is added to **SECTION A – COVERAGES** of the Data Breach Coverage Form:

#### A. ASSOCIATES AND FAMILY MEMBERS ADDITIONAL COVERAGE

As described in Paragraphs 1. and 2. below, we will extend certain **Data Breach Covered Services** to your “associates” and to their “family members” following loss of their “private personal data” under the circumstances described below. This Additional Coverage does not apply to a “data breach” involving information owned or controlled by you.

1. An “associate” or “family member” whose “private personal data” is lost or stolen by circumstances such as the loss of a credit card, debit card, ATM card, checkbook, driver’s license, or passport; or the loss of a wallet, purse, or briefcase containing any of the foregoing, may contact our Designated Service Provider for the Fraud Alert service described in **Section A – Coverages**, paragraph 1.a.(3) of the Data Breach Coverage Form.
2. An “associate” or “family member” who, as a result of loss or theft of “private personal data” described in Paragraph 1. above, becomes a victim of “identity theft” or “account takeover”, may contact our Designated Service Provider for the Identity Restoration Case Management services described in **Section A – Coverages**, paragraph 1.a.(4) of the Data Breach Coverage Form.

We will provide these services for a period of one year following the date we are notified of the initial loss of “private personal data”.

#### B. DEFINITIONS

Under **Section F – Definitions**, Paragraph

**1. Account Takeover** is replaced with the following:

#### 1. Account Takeover

“Account takeover”, as respects “associates” or “family members”, means the takeover by a third party of one or more existing deposit accounts, credit card accounts, debit card accounts, ATM cards, or lines of credit in the name of an “associate” or “family member”.

“Account takeover”, as respects “associates” or “family members”, includes the unauthorized takeover of one or more of the “associate’s” existing deposit accounts, credit card accounts, debit card accounts, ATM cards, or lines of credit by a “family member”.

Under **Section F – Definitions**, the following Definitions are added:

1. “Associate” means an employee of the business insured under this policy.
2. “Family Member” means:
  - a. an “associate’s” spouse, or Registered Domestic Partner, or the legal equivalent thereof; or
  - b. a relative under 23 years of age who is a dependent of the “associate.”



**IDENTITY THEFT RESOLUTION SERVICES  
(POWERED BY IDENTITY THEFT 911)**

Are you or your resident family members at risk for identity theft? Do you need expert assistance with an identity-related concern? IDENTITY THEFT RESOLUTION SERVICES from Identity Theft 911 give you one-on-one assistance in the following situations:

**Access Phone Number: 800-628-0250**

If you or a resident family member suffer the loss or theft of private personal data, contact Identity Theft 911 for proactive guidance that can include Fraud Alert service. If you wish, a fraud specialist can assist and place a free fraud alert on your credit file to reduce the risk of fraudulent accounts opened in your name. This service also includes additional preventative measures and one-on-one assistance, depending on the risk.

If you or a resident family member suffer the loss or theft of private passenger data, contact Identity Theft 911 for Identity Restoration Case Management services. A fraud specialist will guide you through the process of restoring your identity and handle all of the work, including completed documentation and notification assistance. Victims also receive one year of credit monitoring, as well as free fraud monitoring of over 1,000 public databases.

**Learn How to Protect Your Identity**

We recommend that you regularly visit The Hanover Insurance Group and Identity Theft 911 comprehensive resource and knowledge library – [www.hanover-identitytheft911.com](http://www.hanover-identitytheft911.com) – for the latest media alerts, identity theft tips, in-depth newsletters and much more.

Keep this access information handy in case you ever need help with an identity-related problem.

**Access Phone Number: 800-628-0250**

The Hanover Insurance Group makes no guarantee of results and assumes no liability in connection with either the information or assistance provided by Identity Theft 911. Any and all external Websites or sources referred to herein are for informational purposes only.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## GOLD PROPERTY BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CAUSES OF LOSS – SPECIAL FORM  
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM – ACTUAL LOSS SUSTAINED

The following is added to **C. Limits Of Insurance** of Building and Personal Property Coverage Form CP 00 10:

The limits applicable to the Coverages included in this endorsement may either be in addition to or included within the applicable Limits of Insurance. For application of the limits, refer to each coverage within this endorsement.

Refer to **SECTION V – DEFINITIONS** of this endorsement for additional words or phrases which appear in quotation marks as they have special meanings.

### I. COVERAGES

#### A. Scheduled Coverages

The coverages in this endorsement amend the coverage provided under the Building and Personal Property Coverage Form, Causes of Loss – Special Form, Business Income (and Extra Expense) Coverage Form and Business Income (and Extra Expense) Coverage - Actual Loss Sustained through new coverages and substitute coverage grants. These coverages are subject to the provisions applicable to this policy, except where amended within this endorsement. If any of the property covered by this endorsement is also covered under any other provisions of the policy of which this endorsement is made a part, or if more than one coverage under this endorsement applies, in the event of loss or damage, you may choose only one of these coverages to apply to that loss. The most we will pay in this case is the limit of insurance applying to the coverage you select. Coverages included in this endorsement apply either separately to each described premises or on an “occurrence” basis. Refer to each coverage within this endorsement for application of coverage.

	Limits of Insurance	Amended Limits of Insurance	Page
1. Additional Covered Property	Included	N/A	3
2. Brands & Labels	Included	N/A	4
3. Broadened Building Coverage	Included	N/A	4
4. Broadened Business Personal Property	Included	N/A	4
5. Building Limit - Inflation Guard	Included	N/A	5
6. Business Income & Extra Expense from Dependent Properties	\$150,000	\$	5
7. Catastrophe Allowance	\$50,000	N/A	5
8. Computer and Funds Transfer Fraud	\$15,000	\$	6
9. Consequential Loss to Stock	Included	N/A	6
10. Contract Penalties	\$50,000	\$	6
11. Debris Removal	\$250,000	\$	6
12. Denial of Access to Premises	Included	N/A	7
13. E-Commerce	\$10,000	\$	7
14. Electronic Data Processing Equipment	Included	N/A	8
15. Employee Theft including ERISA Compliance	\$100,000	\$	8
16. Employee Tools and Work Clothing	\$25,000	\$	10
17. Expediting Expense	\$50,000	\$	11
18. Extended Business Income	180 Days	N/A	11

19.	Extended Coverage on Property – within 2000 feet	Included	N/A	11
20.	Extra Expense	\$300,000	\$	11
21.	Fire Protection Equipment Recharge	Included	N/A	12
22.	Food Contamination including	\$25,000	\$	12
	Additional Advertising Expense	\$3,000	\$	12
23.	Forgery or Alteration	\$30,000	\$	12
24.	Foundations & Underground Pipes	Included	N/A	13
25.	International Air Shipments	\$50,000	\$	13
26.	Inventory & Loss Appraisal	\$250,000	\$	14
27.	Key Replacement & Lock Repair	\$20,000	\$	14
28.	Lease Cancellation	\$50,000	\$	14
29.	Leasehold Interest – Tenants	\$150,000	\$	15
30.	Marring & Scratching	Included	N/A	15
31.	Money & Securities	\$25,000	\$	15
32.	Money Orders & Counterfeit Money	\$25,000	\$	16
33.	Newly Acquired or Constructed Property – Building	\$2,000,000	\$	16
	Newly Acquired – Business Personal Property	\$1,000,000	\$	16
34.	Newly Acquired Locations – Business Income & Extra Expense	\$250,000	\$	17
35.	Non-Owned Detached Trailers	\$25,000	\$	17
36.	Ordinance or Law	\$500,000	\$	17
37.	Pollutant Clean-Up and Removal	\$100,000	\$	20
38.	Preservation of Property	90 Days	N/A	20
39.	Preservation of Property – Expense	\$50,000	\$	20
40.	Property in Transit	\$100,000	\$	21
41.	Property Off Premises	\$150,000	\$	21
42.	Prototypes	Included	N/A	21
43.	Rewards – Arson, Theft, Vandalism	\$75,000	\$	22
44.	Sales Representative Samples	\$25,000	\$	22
45.	Seasonal Increase – Business Personal Property	Included	N/A	22
46.	Sewer Backup	Included	N/A	23
47.	Soft Costs	\$25,000	\$	23
48.	Temporary Relocation of Property	\$100,000	\$	23
49.	Tenant Glass	\$15,000	\$	23
50.	Tenant Relocation	\$50,000	\$	24
51.	Theft Damage to Building	Included	N/A	24
52.	Transit Business Income & Extra Expense	\$75,000	\$	25
53.	Undamaged Tenants Improvements and Betterments	\$50,000	\$	25
54.	Underground Water Seepage	\$50,000	N/A	25
55.	Unintentional Property Reporting Errors	\$500,000	N/A	26
56.	Unnamed Locations	\$150,000	\$	26
57.	Utility Services – Direct Damage	\$100,000	\$	27
	Utility Services – Business Income	\$100,000	\$	27
58.	Voluntary Parting	\$50,000	\$	27
59.	Water Damage, Other Liquids, Powder or Molten Material Damage	\$50,000	\$	28

60. Windblown Debris	\$10,000	\$ 28
61. Worldwide Property Off-Premises	\$75,000	\$ 28

**B. Coverages Included within the Blanket Limit of Insurance:**

**Blanket Limit of Insurance** \$500,000

The Blanket Limit of Insurance shown above applies to all Coverages shown in **Section III. B.** of this Endorsement. At the time of loss, you may elect to apportion this Blanket Limit of Insurance to one or any combination of the Coverages shown, but under no circumstances will the aggregate apportionment be permitted to exceed the Blanket Limit of Insurance shown above. The Blanket Limit of Insurance applies per "occurrence".

	<b>Amended Limits of Insurance</b>	<b>Page</b>
1. Accounts Receivable	\$	28
2. Deferred Payments	\$	29
3. Fine Arts	\$	29
4. Fire Department Service Charge	\$	30
5. Movement of Property	\$	30
6. Outdoor Property	\$	30
7. Personal Effects & Property of Others	\$	31
8. Research and Development Documentation	\$	31
9. Valuable Papers and Records (Other Than Electronic Data)	\$	32

**II. DEDUCTIBLE**

We will not pay for covered loss or damage in any one "occurrence" unless the amount of loss or damage exceeds the deductible amount shown in the Declarations of this Policy. We will then pay the amount of loss or damage in excess of the Deductible, up to the Limit of Insurance for all applicable coverages listed under **SECTION I – COVERAGES**. No deductible applies to coverages where specifically designated.

**III. COVERED PROPERTY****A. Scheduled Coverages****1. Additional Covered Property**

- a. The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Additional Covered Property**

- (1) You may extend the insurance that applies to your Business Personal Property to also include "theft" or attempted "theft" of your patterns, dies, molds and forms.
- b. **C. Limitations**, Paragraph **3.** of Causes of Loss – Special Form CP 10 30 is replaced by the following:
3. The special limit shown for each category **a.** through **e.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one "occurrence" of "theft", regardless of the types or number of articles that are lost or damaged in that "occurrence". The special limits

are:

- a. \$10,000 for furs, fur garments and garments trimmed in fur.
- b. \$10,000 for jewelry, watches, watch movements, jewels and pearls. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c. \$35,000 for precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals.
- d. \$5,000 for patterns, dies, molds and forms owned by others. This special limit does not apply to those patterns, dies, molds and forms owned by you or for which you are responsible under written contract existing before loss.
- e. \$1,000 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income coverage or to Extra Expense coverage.

All other provisions of **C. Limitations** of Causes of Loss – Special Form CP 10 30 remain unchanged.

## 2. Brands & Labels

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### Brands & Labels

- (1) If Covered Property that has a brand or label is damaged by a Covered Cause of Loss and we elect to take all or any part of the damaged property at an agreed or appraised value, you may extend the insurance that applies to Your Business Personal Property to:

- (a) Pay expenses you incur to:

(i) Remove the brand or label and then re-label the damaged property to comply with any applicable law; or

(ii) Label or stamp the damaged property as Salvage, if doing so will not physically damage the property.

- (b) Cover any reduction in the salvage value of the damaged property as a result of the removal of the brand or label.

- (2) Payment under this Extension is included within the Limit of Insurance applicable to your Business Personal Property.

## 3. Broadened Building Coverage

- a. The following is added to **A. Coverage**, Paragraph **1. Covered Property**, subparagraph **a. Building** of Building and Personal Property Coverage Form CP 00 10:

- (6) Foundations of machinery, tanks and their component parts including all connections which are below:

- (a) The lowest basement floor; or  
(b) The surface of the ground, if

there is no basement.

- (7) Your personal property in apartments or rooms furnished by you as landlord;

- (8) The following property if it is located on or within 2000 feet of a covered building or structure:

(a) Exterior lighting fixtures or poles;

(b) Yard fixtures;

(c) Fences; and

(d) Retaining Walls whether or not attached to the building

- (9) Signs, whether or not they are attached to covered buildings or structures;

- (10) Building glass, including skylights, glass doors and windows, and their encasement frames, alarm tape, lettering and ornamentation;

- (11) Your new buildings while being built on or within 2000 feet of the described premises; and

- (12) Driveways, patios and walks.

- b. Under **C. Limits of Insurance** of Building and Personal Property Coverage Form CP 00 10, the \$2,500 limitation on outdoor signs is deleted.

## 4. Broadened Business Personal Property

- a. The following is added to **A. Coverage**, Paragraph **1. Covered Property**, subparagraph **b. Your Business Personal Property** of Building and Personal Property Coverage Form CP 00 10:

- (8) Property of others that is in your care, custody or control;

- (9) "Scientific & professional equipment";

- (10) Building glass you have a contractual responsibility to insure;

- (11) "Installation, tools & equipment property"; and

- (12) Patterns, molds & dies.

- b. **A. Coverage**, Paragraph **1. Covered Property**, subparagraph **c. Personal Property of Others** of Building and Personal Property Coverage Form CP 00 10, is deleted.

## 5. Building Limit – Inflation Guard

The following is added to **C. Limits of**

**Insurance** of Building and Personal Property Coverage Form CP 00 10:

**Building Limit – Inflation Guard**

We will pay either the actual cash value or the replacement cost value, based on the valuation method shown in the Declarations, of the damaged portion of the building at the time of loss, but not more than 115% of the Limit of Insurance for Building if:

- a. The amount of any loss covered by this policy exceeds the Limit of Insurance for Building stated in the Declarations for the damaged Building; and
- b. The actual repair or replacement is completed within one year of the date of loss.

**6. Business Income & Extra Expense from Dependent Properties**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

**Business Income & Extra Expense from Dependent Properties**

- (1) We will pay the actual loss of business income you sustain due to the necessary “suspension” of your “operations” during the “dependent property period of restoration”. The “suspension” must be caused by direct physical loss of or damage to “dependent property” caused by or resulting from a Covered Cause of Loss.
- (2) We will pay the actual and necessary Extra Expense you incur due to direct physical loss of or damage to “dependent property” caused by or resulting from a Covered Cause of Loss.
- (3) Under this Additional Coverage, the definition of Extra Expense is replaced with the following:  
Extra Expense means necessary expenses you incur during the “dependent property period of restoration” that you would not have incurred if there had been no direct physical loss or damage to the premises of any “dependent property” caused by or resulting from a Covered Cause of Loss:  
(a) To avoid or minimize the

“suspension” of business and to continue “operations”; or

- (b) To minimize the “suspension” of business if you cannot continue “operations”.
- (4) For Business Income coverage under this Additional Coverage, the Coverage Territory for “dependent property” is expanded to all parts of the world.
- (5) We will reduce the amount of your:
  - (a) Business income loss, other than extra expense, to the extent you can resume “operations” in whole or in part by using any other available:
    - (i) Source of materials; or
    - (ii) Outlet for your products
  - (b) Extra Expense loss to the extent you can return “operations” to normal and discontinue such extra expense.
- (6) The most we will pay under this Additional Coverage is \$150,000 per “occurrence” regardless of the number of “dependent properties” that are involved, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (7) The amount payable under this Additional Coverage is additional insurance.

**7. Catastrophe Allowance**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Catastrophe Allowance**

- (1) This Coverage Extension applies when the direct physical loss or damage to Covered Property is the result of an insured event for which Property Claims Service has publicly designated a catastrophe number to the event.
- (2) You may extend the insurance provided under this Coverage Form if the limits provided under **C. Limits of Insurance** of Building and Personal Property Coverage Form CP 00 10 are insufficient to compensate you for covered loss or damage you incur as a result of the insured Catastrophe event.



(3) This Coverage Extension may not be applied to the deductible amount of this policy or any other policy. It also may not be used to cover any loss or damage that would not be covered under this policy.

(4) The most we will pay under this Extension in any one "occurrence" is \$50,000.

The most we will pay under this Extension during each separate 12 month period of this policy is \$50,000.

#### 8. Computer and Funds Transfer Fraud

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Computer and Funds Transfer Fraud

(1) We will pay for loss of and damage to "money", "securities" and "other property" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described "banking premises":

(a) To a person (other than a messenger) outside those banking premises; or

(b) To a place outside those premises.

(2) The most we will pay for loss of "money" and "securities" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" and "securities" from your "transfer account" is \$15,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, regardless of the number of "fraudulent instructions" involved.

#### 9. Consequential Loss to Stock

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### Consequential Loss to Stock

(1) You may extend the insurance that applies to Your Business Personal Property to apply to the reduction in value of the remaining parts of "stock" in process of manufacture that are physically undamaged but are

unmarketable as a complete product because of direct physical loss or damage from a Covered Cause of Loss to other parts of covered "stock" in process of manufacture at an insured location.

(2) Should it be determined that such "stock" retains only a salvage value, we retain the option of paying the full value of the "stock" as agreed within this policy, and taking the damaged property for salvage purposes.

(3) Payment under this Coverage Extension is included within the applicable Limit of Insurance.

#### 10. Contract Penalties

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Contract Penalties

(1) We will pay for contractual penalties you are required to pay due to your failure to provide your product or service according to contract terms because of direct physical loss or damage by a Covered Cause of Loss to Covered Property.

(2) The most we will pay for all penalties in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(3) The amount payable under this Additional Coverage is additional insurance.

#### 11. Debris Removal

a. **A. Coverage Paragraph 4. Additional Coverages**, subparagraph **a.(4)** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

##### (4) Debris Removal

We will pay up to an additional \$250,000 for debris removal expense, for each location, in any one "occurrence" of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage

exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

- (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

If (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$250,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

- b. **A. Coverage Paragraph 4. Additional Coverages**, subparagraph a.(5) of Building and Personal Property Form CP 00 10 is deleted:

## 12. Denial of Access to Premises

The following is added to **A. Coverage**, Paragraph **5. Additional Coverages** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581:

### Denial of Access to Premises

- (1) We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur when ingress to or egress from the described premises is prevented, due to direct physical loss of or damage to property that is away from but within 2000 feet of the described premises, caused by or resulting from any Covered Cause of Loss covered under this policy.
- (2) The coverage for Business Income will begin 72 hours after the loss or damage to the premises that causes the denial of access and will apply for a period of up to 30 consecutive days after coverage begins.
- (3) The coverage for Extra Expense will begin immediately after the loss or damage to the premises that causes the denial of access and will end:
  - (a) 30 consecutive days after

coverage begins; or

- (b) When your Business Income coverage ends;

whichever is earlier.

## 13. E-Commerce

### a. Electronic Vandalism – Direct Damage

- (1) **A. Coverage**, Paragraph **2. Property Not Covered**, subparagraph n. of Building and Personal Property Coverage Form CP 00 10 is deleted.

- (2) **A. Coverage**, Paragraph **4. Additional Coverages**, subparagraph f. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

### f. Electronic Vandalism – Direct Damage

We cover direct physical loss or damage to covered “computer equipment” at the described premises caused by “electronic vandalism”.

### b. Electronic Vandalism - Interruption of Computer Operations

- (1) **A. Coverage**, Paragraph **4. Additional Limitation – Interruption of Computer Operations** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage – Actual Loss Sustained 411-0581 is deleted.

- (2) **A. Coverage**, Paragraph **5. Additional Coverages**, subparagraph d. of Business Income (and Extra Expense) Coverage Form CP 00 30, and Business Income (and Extra Expense) Coverage – Actual Loss Sustained 411-0581 is replaced by the following:

### d. Electronic Vandalism – Interruption of Computer Operations

You may extend the insurance that applies to Business Income & Extra Expense to apply to a “suspension” of “operations” caused by an interruption in computer

operations at the described premises due to "electronic vandalism" originating anywhere in the world.

We will only pay for loss of Business Income or Extra Expense that occurs during the "period of restoration".

- c. The most we will pay for all loss or damage from both Electronic Vandalism – Direct Damage and Electronic Vandalism – Interruption of Computer Operations in any one "occurrence" is \$10,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- d. The amount payable under this Additional Coverage is additional insurance.
- e. **Special E-Commerce Exclusions**

We do not cover:

- (1) Loss of proprietary use of any "electronic data" or "proprietary programs" that have been copied, scanned, or altered;
- (2) Loss of or reduction in economic or market value of any "electronic data" or "proprietary programs" that have been copied, scanned, or altered; and
- (3) Theft from your "electronic data" or "proprietary programs" of confidential information through the observation of the "electronic data" or "proprietary programs" by accessing covered "computer equipment" without any alteration or other physical loss or damage to the records or programs. Confidential information includes, but is not limited to, customer information, processing methods, or trade secrets.

#### 14. Electronic Data Processing Equipment

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Electronic Data Processing Equipment**

- (1) We will pay for direct physical loss or damage to the following Covered Property which is your property or property in your care, custody or control:

(a) "Computer equipment"; and

(b) Programming documentation and instruction manuals.

- (2) We will also cover the necessary extra expenses you incur to avoid or minimize the suspension of business and to continue "operations" because of direct physical loss or damage to covered property.

- (3) The following Exclusions do not apply to this Additional Coverage:

(a) Earth Movement; and

(b) Water.

- (4) We will not pay for any loss to the following property:

(a) Property you rent, loan or lease to others while it is away from the described premises; or

(b) Property you hold for sale, distribute or manufacture.

- (5) Payment under this Additional Coverage is included within the Limit of Insurance applicable to your Business Personal Property.

#### (6) Special Electronic Data Processing Equipment Exclusions

We do not cover:

(a) Any extra expense caused by an error or omission in programming or incorrect instructions to "hardware";

(b) Direct physical loss to covered property caused by:

(i) "Electrical disturbance";

(ii) "Power supply disturbance;";

(iii) "Computer virus"; or

(iv) "Computer hacking".

#### 15. Employee Theft including ERISA Compliance

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Employee Theft including ERISA Compliance**

- (1) We will pay for loss or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", clergy, or any non-compensated person whether identified or not, acting alone

or in collusion with other persons.

For the purposes of this Additional Coverage, "theft" shall also include "forgery".

- (2) This Additional Coverage terminates as to any "employee" as soon as:

- (a) You; or
- (b) Any of your partners, "members", "managers", officers, directors or trustees not in collusion with the "employee";

"Discovered" the "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

- (3) Under this Additional Coverage, "occurrence" means:

- (a) An individual act;
- (b) The combined total of all separate acts whether or not related; or
- (c) A series of acts whether or not related;

Committed by an "employee" acting alone or in collusion with other persons, during the policy period, before such policy period or both.

- (4) We will pay only for loss you sustain through acts committed or events occurring anytime which is "discovered" by you:

- (a) During the policy period; or
- (b) No later than 1 year from the date of termination or cancellation of this insurance. However this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this Additional Coverage, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

- (5) You may extend this coverage to apply to loss caused by any "employee" while temporarily outside the Coverage Territory for a period of not more than 90 days.

- (6) The most we will pay for all loss resulting directly from an "occurrence" is \$100,000 or the Limit of Insurance

shown in the Amended Limits Section of this Endorsement. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year.

- (7) The amount payable under this Additional Coverage is additional insurance.

#### **(8) Special Employee Theft Exclusions**

We will not pay for:

- (a) Loss resulting from "theft" or any other dishonest act committed by:

- (i) You; or
- (ii) Any of your partners or "members";

Whether acting alone or in collusion with other persons.

- (b) Loss caused by an "employee" if the "employee" has also committed "theft" or any other dishonest act prior to the effective date of this policy and you or any of your partners, "managers", officers, directors or trustees, not in collusion with the "employee", learned of that "theft" or dishonest act prior to the policy period shown in the Declarations.

- (c) Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:

- (i) Whether acting alone or in collusion with other persons; or
- (ii) While performing services for you or others;

Except when covered under this Additional Coverage.

- (d) Loss that is an indirect result of an "occurrence" covered by this Additional Coverage, including, but not limited to, loss resulting from:

- (i) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property";
- (ii) Payment of damages of any type for which you are legally liable;

(iii) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this Additional Coverage.

(e) Fees, costs and expenses incurred by you which are related to any legal action.

(f) Loss or that part of any loss, the proof of which as to its existence or amount is dependent upon

(i) An inventory computation; or

(ii) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

(g) Loss resulting from trading, whether in your name or in a genuine or fictitious account.

(h) Loss resulting from fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.

(i) Loss resulting from:

(i) The unauthorized disclosure of your confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or

(ii) The unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information, credit card information or similar no public information.

#### **(9) Welfare and Pension Plan ERISA Compliance**

(a) The "employee benefit plan" (hereafter referred to as Plan) is included as an insured under this Additional Coverage.

(b) If any Plan is insured jointly with any other entity under this

Additional Coverage, you or the Plan Administrator must select a Limit of Insurance for this Additional Coverage that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required if each Plan were separately insured.

(c) With respect to loss sustained or "discovered" by any such Plan, Paragraph (1) above is replaced with the following:

We will pay for loss of or damage to "funds" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

(d) If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.

(e) If two or more Plans are insured under this Additional Coverage, any payment we make for loss:

(i) Sustained by two or more Plans; or

(ii) Of commingled "funds" or "other property" of two or more Plans;

Resulting from an "occurrence", will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total Limit of Insurance of all Plans sustaining loss.

(f) The Deductible does not apply to this Additional Coverage.

#### **16. Employee Tools and Work Clothing**

The following is added to **A. Coverage**, Paragraph 4. **Additional Coverages** of Business and Personal Property Coverage Form CP 00 10:

##### **Employee Tools and Work Clothing**

(1) We will pay for direct physical loss of or damage to tools and work clothing of your "employees" damaged by a Covered Cause of Loss while such tools and work clothing are located at an insured location, your job sites or while "in transit" to and from your job



sites, while in your vehicle.

- (2) The most we will pay for loss or damage under this Additional Coverage is \$25,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, but not more than \$500 for any one tool or item of clothing. The amount payable under this Additional Coverage is additional insurance.
- (3) The Coinsurance condition does not apply to this Additional Coverage.

#### 17. Expediting Expense

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Expediting Expense

- (1) When a Covered Cause of Loss occurs to Covered Property, we will pay for the reasonable and necessary additional expenses you incur to:
  - (a) Make temporary repairs;
  - (b) Expedite permanent repair or replacement of damaged property; or
  - (c) Provide training on replacement machines or equipment.
- (2) The most we will pay for loss under this Additional Coverage in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) The amount payable under this Additional Coverage is additional insurance.

#### 18. Extended Business Income

**A. Coverage, Paragraph 5. Additional Coverages**, subparagraphs **c.(1)(b)** and **(2)(b)** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage form – Actual Loss Sustained 411-0581 are replaced by the following:

- (1)(b) Ends on the earlier of:
  - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or

- (ii) 180 consecutive days after the date determined in **(1)(a)** above.

#### (2)(b) Ends on the earlier of:

- (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would general the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
- (ii) 180 consecutive days after the date determined in **(2)(a)** above.

#### 19. Extended Coverage on Property – within 2000 feet

Under the Building and Personal Property Coverage Form CP 00 10, Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581 all provisions that limit the location of property to "within 100 feet" of a described premise are replaced with "within 2000 feet" of a described premise.

#### 20. Extra Expense

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Extra Expense

- (1) When a Covered Cause of Loss occurs to Covered Property at a location described in the declarations, we will pay for the reasonable and necessary extra expense you incur to continue as nearly as possible your normal business operations following the covered loss or damage.
- (2) The most we will pay for loss under this Additional Coverage in any one "occurrence" is \$300,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) The amount payable under this Additional Coverage is additional insurance.
- (4) No deductible applies to this coverage.

#### 21. Fire Protection Equipment Recharge

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage



Form CP 00 10:

### **Fire Protection Equipment Recharge**

- (1) We will pay expenses you incur to recharge or refill your fire protection equipment due to the leakage or discharge:
  - (a) To prevent or control loss;
  - (b) Accidentally; or
  - (c) As a result of malfunction of the equipment.
- (2) The Deductible does not apply to this Additional Coverage. Payment under this Additional Coverage is included within the applicable Limit of Insurance.

## **22. Food Contamination**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### **Food Contamination**

- (1) If your business at the described premises is ordered closed by the Board of Health or any other governmental authority as a result of the discovery of "food contamination", we will pay:
  - (a) Your expense to clean your equipment as required by the Board of Health or any other governmental authority;
  - (b) Your cost to replace the food which is, or is suspected to be contaminated;
  - (c) Your expense to provide necessary medical tests or vaccinations for your infected "employees". However, we will not pay for any expense that is otherwise covered under a Workers' Compensation Policy;
  - (d) The loss of Business Income you sustain due to the necessary "suspension" of your "operations". The coverage for Business Income will begin 24 hours after you receive notice of closing from the Board of Health or any other governmental authority; and
  - (e) Additional Advertising expenses you incur to restore your reputation.
- (2) The most we will pay for all loss under

Paragraphs **(1)(a)** through **(1)(d)**, including Business Income is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

The most we will pay for all loss under Paragraph **(1)(e)** is \$3,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

### **(3) Special Food Contamination Exclusion**

We will not pay any fines or penalties levied against you by the Board of Health or any other governmental authority as a result of the discovery of food contamination at the described premises.

## **23. Forgery or Alteration**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### **Forgery or Alteration**

- (1) We will pay for loss resulting directly from "forgery" or alteration of checks, credit cards, debit cards, charge cards, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:
  - (a) Made or drawn by or drawn upon you; or
  - (b) Made or drawn by one acting as your agent;
 or that are purported to have been made or drawn.
- (2) If you are sued for refusing to pay any instrument covered in paragraph **(1)** above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense.
- (3) Under this Additional Coverage, any loss:
  - (a) Caused by any one or more persons; or
  - (b) Involving a single act or series of related acts;
 is considered one "occurrence" regardless of the number of checks, credit cards, debit cards, charge cards, drafts, promissory notes, or

similar written promises, orders or directions involved.

**(4) Special "Forgery" or Alteration Exclusion**

This Additional Coverage does not apply to:

Loss arising from any credit, debit or charge card if you have not complied fully with the provisions, conditions or other terms under which the card was issued.

- (5)** The most we will pay for loss, including legal expenses, resulting directly from an "occurrence" under this Additional Coverage is \$30,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, but not more than \$1,000 for any loss arising from any credit, debit or charge card forgery or "Alteration". Regardless of the number of years this policy remains in force or the number or premiums paid, no Limit of Insurance cumulates from year to year. The Deductible does not apply to this Additional Coverage.

- (6)** The amount payable under this Additional Coverage is additional insurance.

**24. Foundations & Underground Pipes**

- a.** The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Foundations & Underground Pipes**

- (1)** You may extend the insurance that applies to Building to apply to loss or damage to:

- (a)** Foundations of buildings, structures, machinery or boilers if their foundations are below:

- (i)** The lowest basement floor; or

- (ii)** The surface of the ground, if there is no basement;

- (b)** Underground pipes, flues and drains; and

- (c)** The cost of excavating, grading, backfilling or filling

when such loss or damage is caused by a Covered Cause of Loss.

- (2)** The most we will pay for loss under this Coverage Extension is the applicable building Limit of Insurance.

- (3)** Payment under this Addition Coverage is included within the applicable Limit of Insurance.

- b. A. Coverage, Paragraph 2. Property Not Covered**, subparagraphs **f.**, **g.**, and **m.** of Building and Personal Property Coverage Form CP 00 10, do not apply to this coverage.

**25. International Air Shipments**

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**International Air Shipments**

- (1)** You may extend the insurance that applies to your Business Personal Property and Personal Property of Others that we ship to apply to that property; while being shipped by air:

- (a)** Anywhere within the Coverage Territory to or from a location outside of the coverage territory; or

- (b)** Between locations outside of the coverage territory;

- (2)** This coverage extension only applies to the shipment of your property which originates and terminates at a location specified in the air waybill.

- (3)** The most we will pay for loss or damage under this Extension in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(4) Special International Air Shipments Exclusion**

This Extension does not apply to:

Business Personal Property if there is other insurance in force covering the same loss.

**26. Inventory & Loss Appraisal**

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Inventory and Loss Appraisal**

- (1)** We will pay all reasonable expenses you incur at our request to assist us in:

- (a) The investigation of a claim;
  - (b) The determination of the amount of loss, such as taking inventory; or
  - (c) The cost of preparing specific loss documents and other supporting exhibits.
- (2) Expenses you incur include costs charged to you by others, including property managers, acting on your behalf to assist us with item (1) above.
- (3) The Deductible does not apply to this Extension.
- (4) Regardless of the number of described premises involved, the most we will pay under this Extension for loss or damage in any one "occurrence" is \$250,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(5) Special Inventory and Loss Appraisal Exclusions**

We will not pay for expenses:

- (a) Incurred to perform your duties in the event of loss under **E. Loss Conditions** of Building and Personal Property Coverage Form CP 00 10;
- (b) To prove that loss or damage is covered;
- (c) Billed by and payable to independent or public adjusters, attorneys or any of their affiliated or associated entities;
- (d) To prepare claims not covered by this policy; or
- (e) Incurred under any Appraisal provisions within the policy.

**27. Key Replacement & Lock Repair**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Key Replacement & Lock Repair**

- (1) You may extend the insurance provided under this Coverage Form to cover the reasonable and necessary expense you incur due to a covered "theft" for:
- (a) Replacement of keys if they are stolen;
  - (b) Lock repair; or

- (c) Rekeying, replacing or reprogramming undamaged locks to accept new keys or entry codes when the building security has been compromised.

- (2) The most we will pay under this Extension is \$20,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement. The Deductible does not apply to this Extension.

**28. Lease Cancellation**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

**Lease Cancellation**

- (1) We will pay the actual loss of business income you sustain due to the cancellation of a lease by your tenants in a Covered Building due to untenability that is caused by direct physical loss or damage to that building from a Covered Cause of Loss.

This Additional Coverage only applies if at the time of loss the building was occupied and business was being conducted by the tenant canceling the lease or their sub-lessee; or a lease was signed but the building was not yet occupied by the tenant.

- (2) We will pay for loss of business income that you sustain after tenantability is restored and until the earlier of:
- (a) The date you lease the premises to another tenant; or
  - (b) 12 months immediately following the "period of restoration".

- (3) The amount payable under this Additional Coverage is additional insurance.

- (4) Regardless of the number of tenants canceling a lease at the described premises, the most we will pay under this Additional Coverage is \$50,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(5) Special Lease Cancellation Exclusions**

We will not pay for:

- (a) Lease cancelled after the "period

of restoration”;

- (b) Lease cancelled, suspended or allowed to lapse by you;
- (c) Return of pre-paid rent or security and other deposits made by tenants; or
- (d) Lease cancelled at the normal expiration date.

## 29. Leasehold Interest – Tenants

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages**, of Building and Personal Property Coverage Form CP 00 10:

### Leasehold Interest – Tenants

- (1) We will pay for the loss of prepaid rent you sustain due to the cancellation of your written lease. The cancellation must result from direct physical loss or damage to property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.
- (2) This Additional Coverage only applies if at the time of loss you were occupying and conducting business at the described premises.
- (3) The amount payable under this Additional Coverage is additional insurance.
- (4) The most we will pay for loss in any one “occurrence” is the lesser of:
  - (a) The unused pro-rata portion of prepaid rent based on the period of time remaining in your lease, which you have paid at the described premises where your lease was cancelled; or
  - (b) \$150,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

### (5) Special Leasehold Interest Exclusion

We will not pay for:

- (a) Lease cancelled, suspended or allowed to lapse by you; or
- (b) Lease cancelled at the normal expiration date.

## 30. Marring & Scratching

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

## Marring & Scratching

- (1) You may extend the insurance that applies to Business Personal Property to apply to damage caused directly by sudden and accidental marring and scratching of:
  - (a) Your “stock”;
  - (b) Your printing plates; or
  - (c) Property of others that is in your care, custody or control.
- (2) This Extension does not apply to:
  - (a) Property at other than the described premises; or
  - (b) Property in transit.
- (3) Payment under this Extension is included within Limit of Insurance applicable to your Business Personal Property.

## 31. Money & Securities

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### Money & Securities

- (1) We will pay for loss of “money” and “securities” while:
  - (a) Inside the described premises;
  - (b) At a “banking premises”;
  - (c) Temporarily within your living quarters or the living quarters of any other member, volunteer; or
  - (d) “employee” having use and custody of the property; or
  - (e) “In transit” between (1)(a), (1)(b), or (1)(c)
 that results directly from:
  - (f) “theft”; or
  - (g) Disappearance or destruction.
- (2) Under this Additional Coverage, all loss:
  - (a) Caused by one or more persons; or
  - (b) Involving a single act or series of related acts;
 is considered one “occurrence”.
- (3) You must keep records of all “money” and “securities” so we can verify the amount of any one loss or damage.
- (4) The amount payable under this

Additional Coverage is additional insurance.

- (5) The most we will pay for loss in any one "occurrence" is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(6) Special Money & Securities Exclusions**

We will not pay for loss:

- (a) Resulting from accounting or arithmetic errors or omissions;
- (b) Resulting from giving or surrendering of property in any exchange or purchase; or
- (c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- (d) Loss or damage to "money" and "securities" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described "banking premises":
  - (i) To a person (other than a messenger) outside those premises; or
  - (ii) To a place outside those premises.

**32. Money Orders & Counterfeit Money**

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

**Money Orders & Counterfeit Money**

- (1) We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:
  - (a) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
  - (b) "Counterfeit money" that is acquired during the regular course of business.
- (2) The most we will pay for loss in any one "occurrence" is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

- (3) The amount payable under this Additional Coverage is additional insurance.

**33. Newly Acquired or Constructed Property**

**A. Coverage, Paragraph 5. Coverage Extensions**, subparagraph **a.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**a. Newly Acquired or Constructed Property**

**(1) Buildings**

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$2,000,000 at each building or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(2) Business Personal Property**

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
  - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
  - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or

The most we will pay for loss or damage under this



Extension is \$1,000,000 at each building or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(b) This Extension does not apply to:

(i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

(ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) This insurance may not be used to increase your Business Personal Property Limit. It does not apply to personal property you acquire as part of your usual customary business dealings whether or not such acquisition was related to anticipated seasonal demands. Under the terms of this policy, such property is not considered newly acquired, but falls within the provisions for Business Personal Property.

#### (4) Period of Coverage

With respect to insurance provided under this Coverage Extension for newly Acquired or Constructed Property, coverage will end when any of the following first occurs:

(a) This policy expires;

(b) 180 days after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

(c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

### 34. Newly Acquired Locations – Business Income & Extra Expense

#### A. Coverage, Paragraph 6. Coverage

**Extension** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581, **Newly Acquired Locations** is replaced by the following:

#### Newly Acquired Locations

a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.

b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$250,000 at each location or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

(1) This policy expires;

(2) 180 days expire after you acquire or begin to construct the property; or

(3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

### 35. Non-Owned Detached Trailers

**A. Coverage, Paragraph 5. Coverage Extensions**, subparagraph **f. Non-Owned Detached Trailers**, item (3) of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

(3) The most we will pay for loss or damage under this Extension is \$25,000, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

### 36. Ordinance or Law

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

#### Ordinance or Law

(1) This Additional Coverage applies only to buildings which are insured on a Replacement Cost basis.

#### (2) Application of Coverage

This Additional Coverage applies only if both (a) and (b) below are satisfied and are then subject to the



qualifications set forth in **(c)**.

**(a) The Ordinance or Law:**

- (i)** Regulates the construction or repair of a building or structure, or establishes zoning or land use requirements at the described premises;
- (ii)** Requires the demolition of undamaged parts of a covered building or structure that is damaged or destroyed by a Covered Cause of Loss; and
- (iii)** Is in force at the time of loss.

But coverage under this Additional Coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this coverage.

- (b) (i)** The building sustains direct physical damage that is covered under this Policy and such damage results in enforcement of or compliance with the ordinance or law; or
- (ii)** The building sustains both direct physical damage that is covered under this Policy and direct physical damage that is not covered under this Policy, and the building damage in its entirety results in enforcement of or compliance with the ordinance or law.
- (iii)** But if the building sustains both direct physical damage that is covered under this Policy and direct physical damage that is not covered under this Policy, and the damage that is not covered is the subject of the ordinance or law, then there is no coverage under this Additional Coverage.
- (c)** In the situation described in **(b)(ii)** above, we will not pay the full amount of loss otherwise payable under the terms of coverages for Coverage for Loss to Undamaged portion of the Building, Demolition Cost Coverage or Increased Cost

of Construction Coverage. Instead, we will only pay the proportion that covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage alone would have resulted in enforcement of the ordinance or law, then we will pay the full amount of the loss otherwise payable under the terms of Coverage for Loss or Damage to the Undamaged Portion of the Building, Demolition Cost Coverage or Increased Cost of Construction Coverage.

- (3)** We will not pay under this Additional Coverage for the costs associated with the enforcement of any ordinance or law which requires an insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

**(4) Coverage**

**(a) Loss to Undamaged Portion of the Building**

With respect to the building that has sustained covered direct physical damage; we will pay for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building. Coverage for Loss to the Undamaged Portion of the Building is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Coverage does not increase the Limit of Insurance.

**(b) Demolition Cost**

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of the undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

**(c) Increased Cost of Construction**

With respect to the building that has sustained covered direct physical damage; we will pay the increased cost to:

- (i) Repair or reconstruct damaged portions of that buildings; and/or
- (ii) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

When the increased cost is a consequence of enforcement of or compliance with the minimum requirements of the ordinance or law.

However:

This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

**(5) Loss Payment**

- (a) The following loss payment provisions are subject to the apportionment procedure set forth in Section **m.2.(c)** of this Additional Coverage.
- (b) When there is a loss in value of an undamaged portion of the building to which Coverage for Loss to the Undamaged Portion of the building applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
  - (i) If the property is repaired or replaced on the same premises, we will not pay more than the lesser of:
    - 1) The amount you actually spend to repair, rebuild or reconstruct the building,

but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

- 2) The Limit of Insurance shown in the Declarations as applicable to the covered building.
- (ii) If the property is not repaired or replaced, we will not pay more than the lesser of:
  - 1) The actual cash value of the building; or
  - 2) The Limit of Insurance shown in the Declarations as applicable to the covered building.
- (c) The most we will pay for the total of all covered losses for Demolition Cost and Increased Cost of Construction is the Limit of Insurance shown below. Subject to this combined Limit of Insurance, the following loss payment provisions apply:
  - (i) For Demolition Cost, we will not pay for more than the amount you actually spend to demolish and clear the site of the described premises.
  - (ii) For Increased Cost of Construction:
    - 1) We will not pay for the increased cost of construction:
      - a) Until the property is actually repaired or replaced, at the same or another premises; and
      - b) Unless the repairs or replacement are made as soon as possible after the loss or damage, not to exceed two years.
    - 2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will

pay for the increased cost of construction is the increased cost of construction at the same premises.

(iii) The most we will pay for loss under Demolition Cost and Increased Cost of Construction for each building is \$500,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(iv) Under this endorsement we will not pay for loss due to any ordinance or law that:

- 1) You were required to comply with before the loss, even if the building was undamaged; and
- 2) You failed to comply with

### **37. Pollutant Clean-Up and Removal**

**A. Coverage, Paragraph 4. Additional Coverages**, subparagraph d. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

#### **d. Pollutant Clean-Up and Removal**

- (1) We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.
- (2) This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants".
- (3) But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.
- (4) The most we will pay under this Additional Coverage for each described premises is \$100,000, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, for the sum of all covered expenses arising out

of Covered Causes of Loss occurring during each separate 12-month period of this policy.

- (5) This Additional Coverage is an additional amount of insurance.

### **38 Preservation of Property**

**A. Coverage, Paragraph 4. Additional Coverage**, subparagraph b. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

#### **b. Preservation of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 90 days after the property is first moved.

### **39. Preservation of Property – Expense**

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

#### **Preservation of Property – Expense**

- (1) If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay your expenses to move or store the Covered Property.
- (2) This coverage applies for 90 days after the property is first moved, but does not extend past the date on which this policy expires.
- (3) The most we will pay under this Additional Coverage is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) Additional Coverage The amount payable under this is additional insurance.

### **40. Property in Transit**

**F. Additional Coverage Extensions**, Paragraph 1. of Causes of Loss – Special Form CP 10 30 is replaced by the following:

#### **1. Property in Transit**

- a. You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to your property or property of others that is in your care, custody or control while "in transit".
- b. You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to outgoing shipments that have been rejected, while in due course of transit back to you or while awaiting return shipment to you.
- c. This Extension applies to the property while:
  - (1) In a vehicle owned, leased or operated by you; or
  - (2) In the custody of a common carrier or contract carrier.
- d. The following Exclusions do not apply to this Extension:
  - (1) Earth Movement; and
  - (2) Water.
- e. The most we will pay for loss or damage under this Extension is \$100,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- f. This Coverage Extension is additional insurance.
- g. **Special Property in Transit Exclusions**  
This Extension does not apply to:
  - (1) Shipments that belong to others that you are transporting for a fee;
  - (2) Salesperson's samples; or
  - (3) Loss to "perishable stock" resulting from a breakdown of refrigeration equipment on any vehicle owned, leased or operated by you or while in the custody of a common or contract carrier.

#### 41. Property Off Premises

**A. Coverage, Paragraph 5. Coverage Extensions, subparagraph d. of Building**

and Personal Property Coverage Form CP 00 10, is replaced by the following:

#### d. Property Off Premises

- (1) You may extend the insurance that applies to Business Personal Property while:
  - (a) Temporarily at a location you do not own, lease or operate; or
  - (b) At any fair, trade show or exhibition.
- (2) The most we will pay for loss or damage under this Extension is \$150,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) **Special Property Off Premises Exclusion**  
This extension does not apply to property:
  - (a) In or on a vehicle; or
  - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

#### 42. Prototypes

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

#### Prototypes

- (1) You may extend the insurance that applies to your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to "prototypes" related to your "research and development operations" that:
  - (a) You own; or
  - (b) Are owned by others and in your care, custody or control; while at a described premises.
- (2) We will not pay for loss or damage to "prototypes" until you actually replicate such property. Repairs or replication must be made as soon as reasonably possible after the loss or damage, but in no event later than two years after the loss or damage unless we grant an extension in writing prior to the expiration of the two year period.

- (3) Payment under this Extension is included within your Business Personal Property Limit of Insurance.

#### **43. Rewards – Arson, Theft, Vandalism**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages**, of Building and Personal Property Coverage Form CP 00 10:

##### **Rewards – Arson, Theft, Vandalism**

- (1) We will reimburse you for payment of any reward offered on your behalf and for information that leads to the arrest and conviction of the person or persons responsible for:
  - (a) Arson;
  - (b) "Theft"; or
  - (c) Vandalism
 to Covered Property.
- (2) The arrest or conviction must involve a covered loss caused by arson, "theft" or vandalism.
- (3) The most we will pay under this Additional Coverage is \$75,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement. The amount we pay is not increased by the number of persons involved in providing the information.
- (4) The amount payable under this Additional Coverage is additional insurance.
- (5) The deductible does not apply to this Additional Coverage.

#### **44. Sales Representative Samples**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Sales Representative Samples**

- (1) We will pay for direct physical loss or damage by a Covered Cause of Loss to samples of your "stock" in trade (including containers) while:
  - (a) In the custody of your sales representative, agent or any "employee" who travels with sales samples;
  - (b) In your custody while acting as a sales representative; or
  - (c) "In transit" between the described premises and your sales

representatives.

- (2) The following Exclusions do not apply to this Additional Coverage:
  - (a) Earth Movement; and
  - (b) Water.
- (3) The most we will pay for any loss or damage under this Additional Coverage is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) The amount payable under this Additional Coverage is additional insurance.
- (5) We will not pay for loss to the following property:
  - (a) Property which has been sold;
  - (b) Jewelry, precious or semiprecious stones, gold, silver, platinum or other precious metals or alloys;
  - (c) Fur, fur garments of garments trimmed with fur; or
  - (d) Any property while waterborne.

#### **(6) Special Sales Representative Sample Exclusion**

We do not cover loss resulting from "theft" from an unattended vehicle, except when it is securely locked its windows are fully closed, and there is visible evidence that entry into the vehicle was forced.

#### **45. Seasonal Increase – Business Personal Property**

The following is added to **A. Coverage**, Paragraph **5 Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Seasonal Increase – Business Personal Property**

- (1) The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations in your business.
- (2) This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lessor of:
  - (a) The 12 months immediately preceding the date the loss or damage occurs; or
  - (b) The period of time you have been in business as of the date the loss



or damage occurs

#### **46. Sewer Backup**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Sewer Backup**

- (1) We will pay for direct physical loss or damage to Covered Property at the described premises, solely caused by or resulting from water or waterborne material carried or moved by water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment. The term drain includes a roof drain and its related fixtures.
- (2) Payment under this Additional Coverage is included within the applicable Limit of Insurance for Covered Property at the location of loss or damage.
- (3) **Special Sewer Backup Exclusion**

We will not pay for:

- (a) Loss or damage from water or other materials that back-up or overflow from any sewer or drain, sump, sump pump or related equipment when it is caused by or results from any "flood", regardless of the proximity of the back-up or overflow to the "flood" condition; or
- (b) Failure to keep a sump pump or its related equipment in proper working condition; or
- (c) Failure to perform routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

#### **47. Soft Costs**

The following is added to **A. Coverage**, Paragraph **5 Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Soft Costs**

- (1) We will pay the actual "soft cost expenses" that arise out of a delay in the construction, erection or fabrication of a Covered Building that is listed in paragraphs **A.1.a.(5)** of Building and Personal Property Coverage Form CP 00 10 and Section **III.A.3.a.(11)** of this

endorsement resulting from direct physical loss or damage to that Covered Building from a Covered Cause of Loss.

- (2) We will only pay the necessary "soft cost expenses" that are over and above those costs that would have been incurred had there been no delay.
- (3) The most we will pay under this Extension in any one "occurrence" is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

#### **48. Temporary Relocation of Property**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Temporary Relocation of Property**

- (1) We will pay for loss of or damage to Covered Property from a Covered Cause of Loss while it is away from the described premises, if it is being stored temporarily at a location you do not own, lease or operate while the described premises is being renovated or remodeled.
- (2) This coverage applies for 90 days after the property is first moved, but does not extend past the date on which this policy expires.
- (3) The most we will pay under this Additional Coverage is \$100,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) The amount payable under this Additional Coverage is additional insurance.

#### **49. Tenant Glass**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Tenant Glass**

- (1) If glass in a building you occupy, but do not own, is damaged, we will pay for direct physical loss of or damage to glass.
- (2) This insurance includes replacement of lettering, artwork, ornamentation, sensors or other items permanently affixed to, or a part of a building at an



insured location.

- (3) For coverage to apply, the glass must be in your care, custody or control and repairs must be made at your expense.
- (4) We will also pay for necessary:
  - (a) Expenses incurred to put up temporary plates or board up openings when repair or replacement of the damaged glass is delayed;
  - (b) Repair or replacement of encasing frames; and
  - (c) Expenses incurred to remove or replace obstructions to repair or replace the damaged glass.

This does not include the cost of removing, replacing or rebuilding window displays.

- (5) Paragraph **B. Exclusions** of Causes of Loss Special Form CP 10 30 does not apply to this Additional Coverage, except for:

- (a) Paragraph **B.1.b. Earth Movement**;
- (b) Paragraph **B.1.c. Governmental Action**;
- (c) Paragraph **B.1.d. Nuclear Hazard**;
- (d) Paragraph **B.1.f War & Military Action**; and
- (e) Paragraph **B.1.g. Water**.
- (6) We will not pay for loss or damage caused by or resulting from:
  - (a) Wear and tear;
  - (b) Hidden or latent defect;
  - (c) Corrosion; or
  - (d) Rust;

whatever its origin or cause.

- (7) The most we will pay for loss or damage in an "occurrence" under this Additional Coverage is \$15,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (8) The amount payable under this Additional Coverage is additional insurance.

#### 50. Tenant Relocation

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of

Building and Personal Property Coverage Form CP 00 10:

#### Tenant Relocation

- (1) In the event that your tenants must temporarily vacate the covered Building at the described premises due to untenability caused by direct physical loss or damage by a Covered Cause of Loss, we will pay the following expenses you actually incur to move those tenants out of and back into your covered Building.
- (2) We will only pay for the following expenses:
  - (a) Packing, transporting and unpacking the tenant's Business Personal Property including the cost of insuring the move out and back and any necessary disassembly and reassembly or setup of furniture and equipment; and
  - (b) The net cost to discontinue and re-establish the tenants' utility and telephone services, after any refunds due the tenants.
- (3) We will only pay for these expenses that you actually incur within 60 days of the date that the damaged buildings has been repaired or rebuilt.
- (4) Regardless of the number of tenants' involved, the most we will pay in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

#### 51. Theft Damage to Building

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

#### Theft Damage to Building

- (1) You may extend the insurance that applies to your Business Personal property to apply to direct physical loss or damage to:
  - (a) That part of the non-owned building where you are a tenant; and
  - (b) Non-owned equipment within the building used to maintain or service the building;

Caused by or resulting from "theft" or attempted "theft".

- (2) This Extension applies only to a premise where you are a tenant and to this premises and non-owned equipment only if you have a contractual obligation to insure.
- (3) Payment under this extension is included within the Limit of Insurance applicable to your Business Personal property.
- (4) We will pay nothing if others pay for the repairs or replacement.

## **52. Transit Business Income & Extra Expense**

The following is added to **A. Coverage**, Paragraph **5. Additional Coverages** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581:

### **Transit Business Income & Extra Expense**

- (1) We will pay the actual loss of Business Income you sustain and necessary and reasonable Extra Expense you incur caused by direct physical loss of or direct physical damage to Covered Property while “in transit” caused by or resulting from a Covered Cause of Loss.
- (2) The following Exclusions do not apply to this Additional Coverage:
  - (a) Earth Movement; and
  - (b) Water.
- (3) The most we will pay for loss in any one “occurrence” under this Additional Coverage is \$75,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) The amount payable under this Additional Coverage is additional insurance.

## **53. Undamaged Tenants Improvements and Betterments**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### **Undamaged Tenants Improvements and Betterments**

- (1) You may extend the insurance that applies to your Business Personal Property to apply to your use as a tenant in the undamaged portion of

Improvements and Betterments due to the cancellation of your written lease:

- (a) Made part of the building or structure you occupy but do not own; and
  - (b) You acquired but cannot legally remove.
- (2) The cancellation must result from:
- (a) Direct physical loss or damage to a building at premises described in the Declarations caused by or resulting from any Covered Cause of Loss
- (3) We will determine the proportionate value of Undamaged Tenants Improvements and Betterments as Follows:
- (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
  - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (4) The most we will pay for loss or damage under this Extension in any one “occurrence” is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
  - (5) The amount payable under this Coverage Extension is additional insurance.

## **54. Underground Water Seepage**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### **Underground Water Seepage**

- (1) We will pay for direct physical loss or damage to Covered Property at the described premises, caused by or resulting from water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces; or

(b) Basements, whether paved or not.

- (2) The most we will pay for loss in any one "occurrence" under this Additional Coverage is \$50,000.
- (3) The amount payable under this Additional Coverage is additional insurance.

#### **55. Unintentional Property Reporting Errors**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

#### **Unintentional Property Reporting Errors**

- (1) If "you" unintentionally failed to report or describe a location to "us", coverage provided by this policy will not be invalid. However, "you" must report such errors or omission to "us" in writing as soon as you discover them. "You" also agree to pay the additional premium that would have been earned by "us" if the location was correctly reported to "us".
- (2) This Additional Coverage only applies to direct loss or damaged caused by a Covered Cause of Loss at the omitted location and does not include any coverage for the perils of flood or earthquake even if flood and earthquake coverage is purchased for this or another policy.
- (3) You must provide reasonable documentation and clear and convincing evidence explaining the cause of the oversight.
- (4) For any location you have failed to report to us, this coverage will end when any of the following first occurs:
  - (a) This policy expires; or
  - (b) You report values to us.
- (5) The most we will pay for any loss under this Additional Coverage in any one policy period regardless of the number of occurrences or reporting errors or omissions is \$500,000.
- (6) The amount payable under this Additional Coverage is additional insurance.
- (7) This Additional Coverage does not apply to a loss that is covered under **Newly Acquired or Constructed Property** coverage.

#### **56. Unnamed Locations**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

#### **Unnamed Locations**

- (1) You may extend the insurance that applies to your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to your property or property of others that is in your care, custody or control while it is at other than a described location, but located within the Coverage Territory.
- (2) **Special Unnamed Locations Exclusions**  
This Extension does not apply to:
  - (a) Loss or damage caused directly or indirectly by "Flood" or Earthquake, even when these Causes of Loss are added to this policy by endorsement.
  - (b) Loss or damage covered under the following Additional Coverages or Extensions:
    - (i) Property in Transit
    - (ii) Sales Representatives Samples; or
    - (iii) Property on Exhibition.
  - (c) Any property that is covered under this Coverage Part or policy, or any other policy, whether collectible or not.
- (3) The most we will pay for loss or damage in any one "occurrence" under this Extension of Coverage is \$150,000, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, regardless of the number of unnamed locations.

#### **57. Utility Services**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

#### **Utility Services**

- (1) We will pay for loss of or damage to Covered Property caused by an interruption in service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property

not on the described premises that provides the services shown below in paragraph (3).

The most we will pay for loss in any one "occurrence" under this Additional Coverage is \$100,000 at each described premises or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

- (2) We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur caused by the interruption of service at the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property not on the described premises that provides the services shown below in paragraph (3).

We will only pay for loss you sustain after the first 24 hours following the direct physical loss or damage to the property described above.

The most we will pay for loss in any one "occurrence" under this Additional Coverage is \$100,000 at each described premises or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(3) Services:

- (a) Water Supply Services, meaning the following types of property supplying water to the described premises:
- (i) Pumping stations; and
  - (ii) Water mains.
- (b) Communication Supply Services, meaning the following types of property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
- (i) Communication transmission lines, including optic fiber transmission lines;
  - (ii) Coaxial cables; and
  - (iii) Microwave radio relays except satellites.
- (c) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

- (i) Utility generating plants;
- (ii) Switching stations;
- (iii) Substations;
- (iv) Transformers; and
- (v) Transmission lines.

Services under this Additional Coverage do not include overhead transmission lines that deliver utility services to you. Overhead transmission lines include, but are not limited to:

- (vi) Overhead transmission and distribution lines;
- (vii) Overhead transformers and similar equipment; and
- (viii) Supporting poles and towers.

- (4) As used in this additional coverage, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

- (5) This coverage is not an additional amount of insurance.

- (6) Coverage under this Additional Coverage for loss or damage to Covered Property does not apply to loss or damage to "electronic data", including destruction or corruption of "electronic data".

**(7) Special Utility Services Exclusion**

Coverage under this Additional Coverage does not include loss of "perishable goods" due to "spoilage" that results from:

- (a) Complete or partial lack of electrical power; or
- (b) Fluctuation of electrical current.

**58. Voluntary Parting**

The following is added to **A. Coverage**, Paragraph 4. **Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

**Voluntary Parting**

- (1) We will pay for loss or damage to covered property when you or your "employees" are fraudulently induced to part with Covered Property to or by:
- (a) Persons who falsely represent themselves as the proper persons to receive the property; or

(b) Acceptance of fraudulent bills of lading or shipping receipts.

- (2) The most we will pay under this additional coverage is \$50,000 for any one "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

#### **59. Water Damage, Other Liquids, Powder or Molten Material Damage**

**F. Additional Coverage Extensions,** Paragraph 2. of Causes of Loss – Special Form CP 10 30 is replaced by the following:

##### **2. Water Damage, Other Liquids, Powder or Molten Material Damage**

- a. If loss or damage caused by or resulting from covered water damage or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure, or, in the case of underground pipes, lawns, shrubs or paved areas, to repair damage to the system or appliance from which the water or other substance escapes.
- b. Payment under this Additional Coverage is included within the applicable Limit of Insurance. The maximum we will pay for loss or damage to lawns, shrubs or paved areas is \$50,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**THIS IS NOT FLOOD INSURANCE OR PROTECTION FROM AN INUNDATION OF SURFACE WATER, HOWEVER CAUSED.**

#### **60. Windblown Debris**

The following is added to **A. Coverage**, Paragraph 5. **Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Windblown Debris**

- (1) We will pay your reasonable expenses to remove the windblown debris (including trees) from the described premises, if it is carried to the described premises from the premises of others by wind, during the policy period.
- (2) The most we will pay in any one

"occurrence" in total for the removal of all windblown debris under this Extension is \$10,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

#### **61. Worldwide Property Off-Premises**

The following is added to **A. Coverage**, Paragraph 5. **Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Worldwide Property Off-Premises**

- (1) You may extend the insurance that applies to your Business Personal Property and Personal Property of Others to apply to that property while it is temporarily outside the coverage territory if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) Temporarily on display or exhibit at any fair, trade show or exhibition;
  - (c) Samples of your "stock" in trade in the custody of your sales representatives; or
  - (d) While "in transit" between the described premises and a location described in (a), (b) or (c) above.
- (2) The most we will pay for loss or damage under this Extension is \$75,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) This Extension provides an additional amount of insurance.

#### **B. Coverages Included within the Blanket Limit of Insurance**

##### **1. Accounts Receivable**

The following is added to **A. Coverage**, Paragraph 4. **Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Accounts Receivable**

- (1) We will pay for loss or damage caused by or resulting from a Covered Cause of Loss to your records of Accounts Receivable.

Accounts Receivable means:

- (a) All amounts due from your customers that you are unable to collect;
- (b) Interest charges on any loan



required to offset amounts you are unable to collect pending our payment of these amounts;

- (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
  - (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable.
- (2) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

### (3) Special Accounts Receivable Exclusions

We will not pay for loss or damage:

- (a) Caused by alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or "other property".  
This exclusion applies only to the extent of the wrongful giving, taking or withholding
- (b) Caused by bookkeeping, accounting or billing errors or omissions
- (c) That requires any audit of records or any inventory computation to prove its factual existence.

## 2. Deferred Payments

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 0010:

### Deferred Payments

- (1) We will pay for your interest in lost or damaged Personal Property sold by you under a conditional sale or trust agreement or any installment or deferred payment plan after delivery to buyers. The loss or damage must be caused by a Covered Cause of Loss.
- (2) When a total loss to that property occurs, deferred payments are valued on the amount shown on your books as due from the buyer.

When a partial loss to that property occurs and the buyer refuses to continue payment, forcing you to repossess, deferred payments are valued as follows:

- (a) If the realized or appraised value of the repossessed property is greater than or equal to the amount shown on your books as due from the buyer, we will make no payment; but
  - (b) If the realized value of the repossessed property is less than the amount shown on your books as due from the buyer, we will pay the difference.
- (3) When loss occurs and the buyer continues to pay you, there will be no loss payment.
- (4) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

## 3. Fine Arts

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### Fine Arts

- (1) We will pay for direct physical loss to "fine arts" which are your property or the property of others in your care, custody or control while on the described premises. We also cover your "fine arts" while temporarily on display or exhibit away from the described premises or while "in transit" between the described premises and a location where the "fine arts" will be temporarily on display or exhibit.
- (2) The following Exclusions do not apply to this Additional Coverage:
  - (a) Earth Movement; and
  - (b) Water.
- (3) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this



Endorsement.

- (4) The amount payable under this Additional Coverage is additional insurance.

**(5) Special Fine Arts Exclusion**

We will not pay for any loss caused by or resulting from:

- (a) Breakage of statuary, glassware, bric-a-brac, marble, porcelain and similar fragile property. But we will pay if the loss or damage is caused directly by a "specified cause of loss", earthquake or flood; and
- (b) Any repairing, restoration or retouching of the "fine arts".

**4. Fire Department Service Charge**

**A. Coverage, Paragraph 4. Additional Coverages**, subparagraph c. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**c. Fire Department Service Charge**

- (1) When the fire department is called to save or protect Covered Property from a Covered Loss, we will pay your actual expenses for your liability for fire department service charges at each described premises.
- (2) This Additional Coverage applies to your liability for fire department service charges:
  - (a) Assumed by contract or agreement prior to loss; or
  - (b) Required by local ordinance.
- (3) No deductible applies to this Additional Coverage.
- (4) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at each described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (5) Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

**5. Movement of Property**

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Movement of Property**

- (1) You may extend the insurance that applies to Covered Property to apply to direct physical loss or damage from a Covered Cause of Loss to your Business Personal Property from an insured location which has been deleted from this policy if:
  - (a) You moved Covered Property from the deleted location to a new premises; and
  - (b) A Limit of Insurance for the new premises has been added to this policy; and
  - (c) The direct physical loss or damage occurs to Covered Property at the prior insured location before the movement of property to the new premises is completed.
- (2) Insurance under this Coverage Extension will end when any of the following first occurs:
  - (a) The movement of property to the new premises is completed; or
  - (b) 30 days after the effective date of the endorsement adding the new premises.
- (3) Regardless of the number of described premises involved, the most we will pay under this Extension for loss or damage in any one "occurrence" is subject to the Blanket Coverage Limit of Insurance, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**6. Outdoor Property**

**A. Coverage, Paragraph 5. Coverage Extensions**, subparagraph e of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**e. Outdoor Property**

- (1) You may extend insurance provided by this Coverage Form to apply to your radio and television antennas (including satellite dishes), trees, shrubs, plants and lawns which are "stock" or are a part of a vegetated roof, including

debris removal expense, caused by or resulting from any of the following causes of loss:

- (a) Fire;
  - (b) Windstorm;
  - (c) Hail;
  - (d) Lightning;
  - (e) Explosion;
  - (f) Riot or Civil Commotion;
  - (g) Vandalism;
  - (h) Aircraft or Vehicles;
  - (i) Theft; or
  - (j) Falling Objects.
- (2) Coverage under this Extension does not apply to property held for sale by you.
- (3) We will not pay more than \$1,000 for loss or damage to any one tree, shrub or plant under this Extension.
- (4) Regardless of the number of described premises involved, the most we will pay under this Extension for loss or damage in any one "occurrence" is subject to the Blanket Coverage Limit of Insurance, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

## **7. Personal Effects & Property of Others**

**A. Coverage, Paragraph 5. Coverage Extensions**, subparagraph **b.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

### **b. Personal Effects & Property of Others**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to:
- (a) Personal effects owned by you, your officers, your partners or members, your managers or officers, your directors, your trustees or your employees.
  - (b) Personal property of others in your care, custody or control.
- (2) We will not pay more than \$5,000 in total for loss or damage for any one person, in any one "occurrence". Our payment for

loss or damage to personal property of others will only be for the account of the owner of the property. No deductible applies to this Extension.

- (3) Regardless of the number of persons involved, the most we will pay under this Extension is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

## **8. Research and Development Documentation**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### **Research and Development Documentation**

- (1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage, resulting from a Covered Cause of Loss, to "research and development documentation" that you own or that is in your care, custody or control at a described premises.
- (2) Paragraph **B. Exclusions** of Causes of Loss – Special Form CP 10 30 do not apply to this Coverage Extension, except for:
- (a) Paragraph **B.1.c. Governmental Action**;
  - (b) Paragraph **B.1.d. Nuclear Hazard**;
  - (c) Paragraph **B.1.f. War and Military Action**;
  - (d) Paragraph **B.2.h. Dishonesty**;
  - (e) Paragraph **B.2.i. False Pretense**; and
  - (f) Paragraph **B.3.**
- (3) This Coverage Extension does not apply to loss or damage caused by or resulting from:
- (a) Electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:
    - (i) Programming errors or faulty machine instructions; or
    - (ii) Faulty installation or

maintenance of data processing equipment or component parts.

- (b) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the direct loss or damage caused by the fire or explosion;
  - (c) Erasure of "research and development documentation"; or
  - (d) Unauthorized instructions to transfer property to any person or place.
- (4) Coverage provided by this Extension does not apply to "research and development documentation" which exist as "electronic data".
- (5) We will not pay for loss or damage to "research and development documentation" until you actually replicate such documentation. Repairs or replication must be made as soon as reasonably possible after the loss or damage, but in no event later than two years after the loss or damage unless we grant an extension in writing prior to the expiration of the two-year period.
- (6) We will not pay for loss or damage to "research and development documentation" applicable to:
- (a) Products that are obsolete;
  - (b) Existing products you have withdrawn from the market; or
  - (c) Existing products you have not sold in the last twelve months prior to the loss.
- (7) Regardless of the number of insured locations involved, the most we will pay under this Extension for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- 9. Valuable Papers and Records (Other Than Electronic Data)**
- A. Coverage, Paragraph 5. Coverage Extensions,** subparagraph **c.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**c. Valuable Papers and Records (Other Than Electronic Data)**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by a Covered Cause of Loss. This Extension includes the cost to research, replace or restore the lost information that previously existed on "valuable papers and records" for which duplicates do not exist.
- (2) The following Exclusions do not apply to this Coverage Extension:
  - (a) Earth Movement; and
  - (b) Water.
- (3) The most we will pay under this Extension for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**IV. VALUATION**

**A. E. Loss Conditions, Paragraph 7. Valuation,** subparagraph **b.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

- b.** If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering;
- (3) Outdoor equipment or furniture; or
- (4) Retaining walls.

**B.** The following is added to **E. Loss Conditions,**

Paragraph 7. **Valuation** of Building and Personal Property Coverage Form CP 00 10:

- f. "Valuable papers and records" at the cost of restoration or replacement, including the cost of data entry, re-programming, computer consultation services and the media on which the data or programs reside. To the extent that the contents of the "valuable papers and records" are not replaced or restored, the "valuable papers and records" will be valued at the cost of blank materials for reproducing the records and the labor to transcribe or copy the records when there is a duplicate.
- g. "Money" at its face value.
- h. "Securities" at their value at the close of business on the day the loss is discovered.
- i. Accounts Receivable:
  - (1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
    - (a) We will determine the total of the average monthly amounts of accounts receivable for the 12 months preceding the month in which loss or damage occurs; and
    - (b) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
  - (2) The following will be deducted from the total amount of accounts receivable, however that amount is established:
    - (a) The amount of the accounts for which there is no loss or damage;
    - (b) The amount of the accounts that you are able to re-establish or collect; an amount to allow for probable bad debts that you are normally unable to collect;
    - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
    - (d) All unearned interest and service charges.
- j. Property "in transit" (other than "stock" you have sold) at the amount of invoice, including your prepaid or advanced freight charges and other charges which may

have accrued or become legally due since the shipment. If you have no invoice, actual cash value will apply.

- k. "Hardware":
  - (1) "Hardware" that is replaced will be at the cost of replacing the "hardware" with new equipment that is functionally comparable to the "hardware" that is being replaced.
  - (2) "Hardware" that is not replaced will be at actual cash value at the time of loss.
  - (3) In no event will we pay more than the reasonable cost of restoring partially damaged "hardware" to its condition directly prior to the damage.
- l. "Software":
  - (1) "Programs and applications" will be at the cost to reinstall the "programs and applications" from the licensed discs that were originally used to install the programs or applications.  
If the original licensed discs are lost, damaged, or can no longer be obtained, the value of "programs and applications" will be based on the cost of the most current version of the "programs or applications".
  - (2) "Proprietary programs" will be at the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies.  
If duplicate copies do not exist, the value of "proprietary programs" will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost "proprietary programs".
  - (3) "Electronic data" will be at the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies.  
If duplicate copies do not exist, the value of "electronic data" will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost files, documents and records.
  - (4) "Media" will be at the cost to repair or replace the "media" with material of the same kind or quality.

**m. "Fine Arts"**

We will pay the lesser of:

- (1) The market value at the time of loss or damage;
- (2) The reasonable cost of repair or restoration to the condition immediately before the covered loss or damage; or
- (3) The cost of replacement with substantially identical property.

For pairs or sets, we will either:

- (a) Repair or replace any part to restore the value and condition of the pair or set to that immediately before the covered loss or damage; or
- (b) Pay the difference between the value of the pair or set before and after the covered loss or damage.

**n. Property of Others** – our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

**o.** We may elect to defend you against suits arising from claims of owners or property. We will do this at our expense.

**p.** Labor, materials and services that you furnish or arrange on personal property of others are valued based on the actual cost of the labor, materials and services.

**q.** Finished "stock" you manufactured at the selling price less discounts and expenses you otherwise would have had.

**r. "Prototypes"**

We will not pay more than the lesser of the following amounts:

- (1) The replacement cost of such property used for the same product, but only if replacement cost is shown as applicable to Personal Property in the Declarations.

However, when replacement with identical property is impossible or unnecessary, the amount of loss will be based on the cost to replace with similar property used to perform the same functions. Property of others will be valued in the same manner, but we

will not pay more than the amount for which you are legally liable; or

- (2) The amount you actually spend to repair or replace lost or damaged "prototypes" used for the same purpose.

**s. "Research and development documentation":**

We will not pay more than the least of the following amounts:

- (1) Your cost actually spent to reproduce lost or damaged "research and development documentation" from back-up files or original source documents;
- (2) The reasonable cost necessary to research, repair, restore, recreate, reconstitute, reproduce or replace "research and development documentation", used for the same product, to their condition immediately before the loss or damage;
- (3) If identical "research and development documentation" cannot be purchased, the cost to purchase such documentation of comparable kind, functionality and quality; or
- (4) The amount you actually spend to research, repair, restore, recreate, reconstitute, reproduce or replace "research and development documentation", used for the same product.

But we will not pay more than the cost to restore "research and development documentation" to its condition immediately prior to the loss.

**V. DEFINITIONS**

The following is added to Paragraph **H.** of Building and Personal Property Coverage Form CP 00 10:

**H. Definitions**

1. "Antiques" means an object having value because its:
  - a. Craftsmanship is in the style or fashion of former times; and
  - b. Age is 100 years or older.
2. "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
3. "Communicable disease" means a bacterial micro-organism transmitted through human contact with food.



4. "Computer equipment" means:
  - a. "Hardware" owned by you or in your care, custody or control;
  - b. "Software"; or
  - c. "Protection and control equipment".
5. "Computer hacking" means an unauthorized intrusion by an individual or group of individuals, whether employed by you or not, into "hardware" or "software", a Web site, or a computer network and that results in but is not limited to:
  - a. Deletion, destruction, generation, or modification of "software";
  - b. Alteration, contamination, corruption, degradation, or destruction of the integrity, quality or performance of "software";
  - c. Observation, scanning, or copying of "electronic data", "programs and applications", and "proprietary programs";
  - d. Damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media" used with "hardware"; or
  - e. Denial of access to or denial of services from "hardware", "software", computer network, or Web site including related "software".
6. "Computer Virus" means the introduction into "hardware", "software", computer network, or Web site of any malicious, self-replicating electronic data processing code or other code and that is intended to result in, but is not limited to:
  - a. Deletion, destruction, generation, or modification of "software";
  - b. Alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of "software";
  - c. Damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media" used with "hardware"; or
  - d. Denial of access to or denial of services from "hardware", "software", computer network, or Web site including related "software".
7. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.
8. "Denial of service attack" means the malicious direction or a high volume of worthless inquiries to Website or e-mail destinations, effectively denying or limiting legitimate access regardless of whether or not damage to "computer equipment" results.
9. "Dependent property" means property operated by others whom you depend on to:
  - a. Deliver materials or services to you, or to others for your account. But any property which delivers any of the following services is not a dependent property with respect to such services:
    - (1) Water supply services;
    - (2) Power supply services; or
    - (3) Communication supply services, including services relating to Internet access or access to any electronic network;
  - b. Accept your products or services;
  - c. Manufacture products for delivery to your customers under contract of sale; or
  - d. Attract customers to your business.
10. "Dependent property period of restoration" means the period of time that:
  - a. Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the "dependent property"; and
  - b. Ends on the date when the property at the premises of the "dependent property" should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Dependent property period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

  - c. Regulates the construction, use or repair, or requires the tearing down, of any property; or
  - d. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "dependent property period of restoration".
11. "Discover" or "Discovered" means:



- a. The time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this policy has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details may not be known.
  - b. "Discover" or "Discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this policy.
12. "Electrical disturbance" means electrical or magnetic damage, disturbance of electronic recordings, or erasure of electronic recordings.
13. "Electronic data" means files, documents, information and "programs and applications" in an electronic format and that are stored on "media".
14. "Electronic vandalism" means "computer hacking", "computer virus" or a "denial of service attack". "Electronic vandalism" does not include the theft of any property or services.
15. "Employee" means:
- a. Any natural person:
    - (1) While in your service and for the first 30 days immediately after termination of service;
    - (2) Who you compensate directly by salary, wages or commissions; and
    - (3) Who you have the right to direct and control while performing services for you;
  - b. Any natural person who is furnished temporarily to you:
    - (1) To substitute for a permanent "employee" as defined in paragraph a.(1), who is on leave; or
    - (2) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the premises;
  - c. Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary "employee" as defined in paragraph a.(2);
  - d. Any natural person who is:
    - (1) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; and
    - (2) A director or trustee of yours while that person is engaged in handling "funds" or "other property" of any "employee benefit plan";
  - e. Any natural person who is a former "employee", partner, "manager", director or trustee retained as a consultant while performing services for you;
  - f. Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody or property outside the described premises;
  - g. Any "employee" of an entity merged or consolidated with you prior to the effective date of this policy; or
  - h. Any of your "managers", directors or trustees while:
    - (1) Performing acts within the scope of the usual duties of an "employee"; or
    - (2) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.

"Employee" does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph 15. of this section.
16. "Employee benefit plan" means any welfare or pension benefit plan shown that you sponsor and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.

17. "Fine arts" means paintings, etchings, pictures, tapestries, rare art glass, art glass windows, valuable rugs, statuary, sculptures, "antique" jewelry, bric-a-brac, porcelains and similar property of rarity, historical value or artistic merit.
18. "Flood" means a general and temporary condition of partial or complete inundation of normally dry land areas due to:
- a. The overflow of inland or tidal waters;
  - b. The unusual or rapid accumulation of runoff of surface waters from any source; or
  - c. Mudslides or mudflows which are caused by flooding as defined in **b.** above. For the purpose of this Covered Cause of Loss, a mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.
19. "Food contamination" means an incidence of food poisoning to one or more of your customers as a result of:
- a. Tainted food you purchased;
  - b. Food which has been improperly stored, handled or prepared; or
  - c. A "communicable disease" transmitted through one or more of your "employees".
20. "Fraudulent instruction" means:
- a. An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
  - b. A written instruction issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
  - c. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an employee but which was in fact fraudulently transmitted by someone else without your or the employee's knowledge or consent
21. "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
22. "Funds" means "money" and "securities".
23. "Hardware" means a network of electronic machine components (microprocessors) capable of accepting instructions and information, processing the information according to the instructions, and producing desired results. "Hardware" includes but is not limited to:
- a. Mainframe and mid-range computers and servers;
  - b. Personal computers and workstations;
  - c. Laptops, palmtops, notebook PCs, other portable computer devices and accessories including, but not limited to, multimedia projectors; and
  - d. Peripheral data processing equipment, including but not limited to, printers, keyboards, monitors, and modems.
24. "Installation, tools and equipment property" means:
- a. Materials, supplies, machinery, fixtures and equipment that will become a permanent part of your installation while:
    - (1) Located at the site of installation;
    - (2) "In transit" by you to or from the described premises and the job site; or
    - (3) While in temporary storage awaiting installation.
  - b. Commercial tools and equipment usual to your business and used in your installation which are:
    - (1) Your property; or
    - (2) The property of others in your care, custody or control.Commercial tools and equipment does not include:
    - (3) Aircraft or watercraft;
    - (4) Any property while waterborne, airborne or underground;
    - (5) Property you have loaned, rented or leased to others;
    - (6) Property that is permanently mounted to a vehicle; or
    - (7) Property held for sale.

25. "In transit" means in the course of shipment from or to the premises shown in the Declarations. It includes such shipments while temporarily stopped or delayed, incidental to the delivery.
26. "Manager" means a person serving in a directorial capacity for a limited liability company.
27. "Member" means an owner of a limited liability company represented by its membership interest who, if a natural person, may also serve as a "manager".
28. "Mechanical breakdown" means the malfunction or failure of moving or electronic parts, component failure, faulty installation, or blowout.
29. "Media" means an instrument that is used with "hardware" and on which "electronic data", "programs and applications", and "proprietary programs" can be recorded or stored. "Media" includes, but is not limited to, films, tapes, cards, discs, drums, cartridges, cells, DVDs, or CD-ROMs.
30. "Money" means:
  - a. Currency, coins and bank notes in current use and having a face value; and
  - b. Travelers checks, register checks and money orders held for sale to the public.
31. "Occurrence" means all loss or damage that is attributable to:
  - a. An act, event, cause or series of similar, related acts, events or causes involving one or more persons; or
  - b. An act, event, cause or series of similar, related acts, events or causes not involving any person.
32. "Operations" means your business activities occurring at the described premises.
33. "Other property" means tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, electronic data or any property specifically excluded under this policy.
34. "Perishable goods" means personal property:
  - a. Maintained under controlled temperature or humidity conditions for preservation; and
  - b. Susceptible to loss or damage if the controlled temperature or humidity conditions change.
35. "Power supply disturbance" means interruption of power supply, power surge, blackout, or brownout.
36. "Programs and applications" means operating programs and applications that you purchase and that are:
  - a. Stored on "media"; or
  - b. Pre-installed and stored in "hardware".

Applications includes, but is not limited to, programs for word processing, spreadsheet calculations, and graphic design.
37. "Proprietary programs" means proprietary operating programs and applications that you developed or that you had developed specifically for use in your "operations" and that are:
  - a. Stored on "media"; or
  - b. Installed and stored in "hardware".
38. "Protection and control equipment" means:
  - a. Air conditioning equipment used exclusively in the operation of the "hardware";
  - b. Fire protection equipment used for the protection of the "hardware", including automatic and manual fire suppression equipment and smoke and heat detectors; and
  - c. Uninterruptible power supply system, line conditioner, and voltage regulator.
39. "Prototype" means an original version of a newly designed product that is an outcome of your "research and development operations". A "prototype" includes sample designs, experimental models or displays that are associated with or integral to the manufacture of the original version of a newly designed product.
40. "Rental value" means Business Income that consists of:
  - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
  - b. Continuing normal operating expenses incurred in connection with that

premises, including:

- (1) Payroll; and
  - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
41. "Research and development documentation" means written evidence of facts, information, processes, concepts or formulas that are directly related to the development of new products or enhancement of existing products. Written evidence includes written papers, plans, manuscripts, written or inscribed documents or plans.
- "Research and development documentation" does not include "valuable papers and records", accounts receivable or "media", "software" or "data".
42. "Research and development operations" means your business activities that are directly related to the development of new products or the enhancement of existing products.
43. "Scientific and professional equipment" means medical, engineering, veterinary, measurement, recording, analyzing or similar equipment.
44. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you.
- but does not include "money".
45. "Soft cost expenses" means additional:
- a. Realty taxes and other assessments that you incur for the period of time that construction has been extended beyond the projected completion date;
  - b. Interest on money borrowed to finance construction, remodeling, renovation or repair; and
  - c. Advertising, public relations and

promotional expenses.

46. "Software" means:
- a. "Media";
  - b. "Electronic data";
  - c. "Programs and applications"; and
  - d. "Proprietary programs".
47. "Spoilage" means any detrimental change in physical state of "perishable goods". Detrimental change includes, but is not limited to, thawing of frozen goods, warming of refrigerated goods, solidification of liquid or molten material, chemical reactions to material in process, and reduction in value of time sensitive materials.
48. "Theft" means the unlawful taking of property to the deprivation of the insured.
49. "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and "securities":
- a. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
  - b. By means of written instructions establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.
50. "Valuable papers and records" means:
- a. Inscribed, printed or written:
    - (1) Documents;
    - (2) Manuscripts; and
    - (3) Records
 including abstracts, books, deeds, drawings, films, maps or mortgages; and
  - b. Similar items stored electronically.
- But, "valuable papers and records" does not mean "money" or "securities".

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## MANUFACTURING PROPERTY BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS- SPECIAL FORM

This endorsement applies only to those locations for which a corresponding premium has been paid.

The following is added to **C. Limits of Insurance** of Building and Personal Property Coverage Form CP 00 10:

The limits applicable to the Coverages included in this endorsement may either be in addition to or included within the applicable Limits of Insurance. For application of the limits, refer to each coverage within this endorsement.

Refer to **SECTION V – DEFINITIONS** of this endorsement for additional words or phrases which appear in quotation marks that have special meaning.

### I. COVERAGES

#### A. Personal Property of Others Included

**A. Coverage**, Paragraph **1. Covered Property**, subparagraph **c. Personal Property of Others** of Building and Personal Property Coverage Form CP 00 10, is deleted and included as **A. Coverage**, Paragraph **1. Covered Property**, subparagraph **c.(8)**.

#### B. Scheduled Coverages

The coverages in this endorsement amend the coverage provided under the Building and Personal Property Coverage Form and Causes of Loss – Special Form through new coverages and substitute coverage grants. These coverages are subject to the provisions applicable to this policy, except where amended within this endorsement. If any of the property covered by this endorsement is also covered under any other provisions of the policy of which this endorsement is made a part, or if more than one coverage under this endorsement applies, in the event of loss or damage, you may choose only one of these coverages to apply to that loss. The most we will pay in this case is the limit of insurance applying to the coverage you select. Coverages included in this endorsement apply either separately to each described premises or on an "occurrence" basis. Refer to each coverage within this endorsement for application of coverage.

	Limit of Insurance	Amended Limits of Insurance	Page
1. Additional Covered Property	Included	N/A	2
2. Contract Cancellation	\$100,000	\$	2
3. Extended Warranty Coverage	\$75,000	\$	2
4. Molds, Dies, Patterns and Plates	Included	N/A	2
5. Processing Water	\$50,000	\$	3
6. Product Adulteration and Contamination	\$50,000	\$	3
7. Research and Development Expenses	\$250,000	\$	4
8. Research and Development – Extra Expense	\$250,000	\$	4
9. Spoilage			4
On Premises	\$100,000	N/A	
In Transit	\$10,000	N/A	

### II. DEDUCTIBLE

We will not pay for covered loss or damage in any one "occurrence" unless the amount of loss or damage exceeds the deductible amount shown in the Declarations of this Policy. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance for all coverages listed under **SECTION I – COVERAGES**. No deductible applies to coverages where specifically designated.



### III. COVERED PROPERTY

#### A. Scheduled Coverages

##### 1. Additional Covered Property

**C. Limitations**, Paragraph **3.** of Causes of Loss – Special Form CP 10 30 is replaced by the following:

The special limits Section **3.** under **C. Limitations** of the CP 10 30 is deleted and replaced by the following:

The special limit shown for category, **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one “occurrence” of “theft”, regardless of the types or number of articles that are lost or damaged in that “occurrence”. The special limits are:

- d.** \$50,000 for patterns, dies, molds and forms owned by others. This special limit does not apply to those patterns, dies, molds and forms owned by you or for which you are responsible under written contract existing before loss.

##### 2. Contract Cancellation

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Contract Cancellation**

- (1)** We will pay for the loss of business income you sustain during the first 12 months after the period of Restoration due to the cancellation of a contract by your customers but only if the reason for the cancellation is caused by or resulting from direct physical loss or damage to the premises by a Covered Cause of Loss during the policy period.
- (2)** We will not pay for:
  - (a)** A contract cancelled after the period of restoration;
  - (b)** A contract cancelled, suspended or allowed to lapse by you;
  - (c)** Any other consequential loss.
- (3)** The most we will pay in any one occurrence for all contracts cancelled is the lesser of:
  - (a)** The anticipated amount of income you would have received from the customer under the cancelled contract for 12 months immediately following the period of restoration in accordance with

the terms and conditions of the contract; or

- (b)** \$100,000.

- (c)** The Limit of Insurance shown in the Amended Limits Section of this Endorsement.

- (4)** All payments cease upon the date the current contract would have expired, regardless of any options for renewal, if the loss or damage had not taken place.
- (5)** The expiration of this policy will not shorten the duration of this coverage if the loss occurred during the policy period.
- (6)** The number of your customers canceling a contract due to a loss at a scheduled location will not increase the limit of insurance provided by this additional coverage.
- 7)** This is an additional amount of insurance.

##### 3. Extended Warranty Coverage

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Extended Warranty Coverage**

- (1)** If a covered cause of loss results in a direct total physical loss to property covered under this policy, at a premises shown in the Declarations, we will pay the un-used pro-rata portion of the non-refundable purchase price for extended warranties or service contracts which you purchased on such damaged property.
- (2)** The most we will pay for loss or damage in any one “occurrence” under this Additional Coverage is \$75,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

##### 4. Molds, Dies, Patterns and Plates

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Molds, Dies, Patterns and Plates**

- (1)** You may extend the insurance that applies to Your Business Personal Property to apply to damage caused directly by accidental marring or



scratching of:

- (a) Your molds, dies, patterns or plates while at the described premises;
  - (b) Your molds, dies, patterns or plates while at the premises of another who uses them to provide products or services to you;
  - (c) Molds, dies, patterns or plates of others while in your care, custody or control; or
  - (d) Your molds, dies, patterns or plates, or the molds, dies, patterns or plates of others if in your care custody or control, during transit.
- (2) Payment under this Coverage Extension is included with Your Business Personal Property Limit of Insurance.

#### 5. Processing Water

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Processing Water

- (1) We will pay the cost that you incur to replace water that is used in your processing operations and contained in:
- (a) An above ground tank;
  - (b) Processing equipment; or
  - (c) Above ground piping associated with items (a) or (b) above
- when such water has been released or rendered unusable for its intended purpose as a result of a direct physical loss or damage to such tank, processing equipment or piping caused by a Covered Cause of Loss at a designated premises.
- (2) The most we will pay for any loss or damage under this Additional Coverage is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) The amount payable under this Additional Coverage is additional insurance.

##### (4) Special Processing Water Exclusion

We will not pay for loss involving any fire protection equipment.

#### 6. Product Adulteration and

#### Contamination

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form, CP 00 10:

##### Product Adulteration and Contamination

- (1) We will pay for direct physical loss or damage to "stock" at a described premises caused by adulteration or contamination provided such adulteration or contamination caused by or resulting from:
- (a) Accidental introduction of a foreign substance, agent or organism to the "stock", including any nesting or infestation; and
  - (b) Occurs during the processing or manufacture of the "stock" at a described premises; and
  - (c) Causes the "stock" to become diminished in value or use, including but not limited to diminished value or use due to change in color, finish, flavor, size or texture.

##### (2) Special Product Adulteration and Contamination Exclusion

We will not pay for loss or damage caused by or resulting from:

- (a) Rejection or disposal of "stock" because of quality control standards or local Board of Health requirements unless the reason the "stock" is rejected or disposed is because it was adulterated or contaminated as provided in 6.1 above; or
- (b) Improper or faulty workmanship, design, specifications of materials; or
- (c) Improper or faulty monitoring or testing for contaminants; or
- (d) Improper blending of ingredients or use of contaminated ingredients; or
- (e) Contamination by refrigerant or mechanical breakdown of any temperature or humidity control apparatus;
- (f) The closure or quarantine of your business, by local Board of Health or similar authorities due to sickness among your employees,

unless the sickness causes the direct contamination or adulteration of "stock".

- (3) The most we will pay for loss or damage in any one "occurrence" under this Additional Coverage is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) We will not pay for costs and expenses involved in testing "stock" for adulteration or contamination.

## 7. Research and Development Expenses

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### Research and Development Expenses

- (1) If your "research and development operations" are suspended due to direct physical loss or damage, caused by a Covered Cause of Loss, to property directly related to your "research and development operations" and the loss is not covered under any other provisions of this policy, you may extend the insurance that applies to Business Income to cover ordinary payroll and loss of continuing fixed charges directly attributable to your development activities.
- (2) Research and development expenses are included in the limit of insurance for Business Income.
- (3) The most we will pay for loss or damage in any one "occurrence" under this Additional Coverage is \$250,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) This coverage is included in and not in addition to the applicable limit of insurance.

## 8. Research and Development – Extra Expense

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### Research and Development – Extra Expense

- (1) We will pay the actual and necessary "Extra Expense" that you would not

have incurred if your "research and development operations" had not been suspended due to direct physical loss or damage, caused by a Covered Cause of Loss, to property directly related to your "research and development operations".

- (2) Under this Additional Coverage, the definition of "Extra Expense" is replaced with the following:

"Extra Expense" means necessary expenses you incur during the "research and development period of restoration" that you would not have incurred if there had been no direct physical loss or damage, caused by or resulting from a Covered Cause of Loss, to property directly involved in your "research and development operations":

- (a) To avoid or minimize the "suspension" of, and to continue your "research and development operations"; or
- (b) To minimize the "suspension" of your "research and development operations" if you cannot continue them.
- (3) The most we will pay for loss or damage in any one "occurrence" under this Additional Coverage is \$250,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

## 9. Spoilage

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### Spoilage

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage to your "perishable goods" at the described premises; or in a vehicle owned, leased or operated by you while in transit caused by or resulting from either of the following causes of loss:
  - (a) Breakdown or Contamination, meaning:
    - (i) On premises change in temperature or humidity resulting from mechanical breakdown or mechanical

failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; or

(ii) Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is in a vehicle owned, leased or operated by you while in "transit"; and

(iii) Contamination by the refrigerant.

(b) Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

(2) Coverage under this Extension does not apply to property located on buildings or in the open.

(3) The most we will pay for on premises loss or damage under this Extension in any one "occurrence" is \$100,000.

(4) The most we will pay for loss or damage to your perishable goods while "in Transit" under this Extension is \$10,000 in any one "occurrence."

#### (5) Special Spoilage Exclusions

We will not pay for loss or damage caused by or resulting from:

(a) The disconnection of any refrigerating, cooling or humidity control system from the source of power;

(b) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;

(c) The inability of an Electrical Utility Company or other power source to provide sufficient power due to:

(i) Lack of fuel; or

(ii) Governmental order.

(d) The inability of a power source at the described premises to provide

sufficient power due to lack of generating capacity to meet demand; or

(e) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit; or

(f) The failure to maintain adequate fuel levels for the refrigeration, cooling or humidity control apparatus or equipment in a vehicle; or

(g) Your or a service representatives failure to inspect a vehicles' refrigeration, cooling or humidity control apparatus or equipment at least quarterly; or

(6) Coverage Under this Extension will not apply unless:

(a) A record of each inspection of refrigeration, cooling or humidity control apparatus or equipment in a vehicle is retained and maintained for at least 24 consecutive months prior to the date of loss; and

(b) You provide us with all records.

#### IV. BROADENED VALUATION CLAUSE

A. **E. Loss Conditions, Paragraph 7. Valuation,** subparagraph a. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

a. At replacement cost without deduction for depreciation, except as provided otherwise in this Property Coverage Part.

(1) You may claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the date loss or damage.

(2) We will not pay on a replacement cost basis for any loss or damage:

(a) Until the lost or damaged property is actually repaired or replaced; and

(b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

(3) We will not pay more for loss or

damage on a replacement cost basis than the least of:

- (a) The Limit of Insurance applicable to the lost or damaged property;
- (b) The cost to replace, at the same location, the lost or damaged property with other property:
  - (i) Of comparable material and quality; and
  - (ii) Used for the same purpose; or
- (c) The amount you actually spend that is necessary to repair or replace the lost or damaged property – even if, when replacement is necessary, you choose to make use of other than new property to effect such replacement.

**B. E. Loss Conditions, Paragraph 7. Valuation,** subparagraph e. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**e. Tenant's Improvements and Betterments at:**

- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
- (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
  - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
  - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- (c) When a written lease does not exist, instead of the method of calculating loss shown in **e.(2)(a)** and **(b)** above, we will determine the proportionate value of the improvements and betterments as follows:
  - (i) Multiply the original cost by 365 days; and
  - (ii) Divide the amount determined in **(a)** above by the number of days from the installation of improvements to 365 days

after the date of the "occurrence".

- (3) If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in the procedure described in **(2)** above.

- (4) Nothing, if others pay for repairs or replacement.

**C. The following is added to E. Loss Conditions, Paragraph 7. Valuation of Building and Personal Property Coverage Form CP 00 10:**

- t. The following property at actual cash value:**
  - (1) Used or second hand merchandise held in storage or for sale;
  - (2) Household contents, except personal property in apartments or rooms furnished by you as landlord;
  - (3) Manuscripts;
  - (4) Works of art, "antiques" or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; and
  - (5) Contractors equipment and tools
- u. Lottery tickets at their initial cost to you except for winning tickets, at their redeemed present cash value.**
- v. Data, media and computer "software" programs. For media, at the actual costs of repairing or replacing the media with material of like kind and quality. Data and computer "software" programs at the actual cost of reproducing the data or computer "software" program, providing you actually reproduce or replace it.**
- w. Prepackaged "software" programs and electronic data processing equipment that cannot be replaced, at the cost of functionally equivalent "software" or "hardware".**
- x. "Business income", "extra expense" and "resumption of operations":**
  - (1) The amount of "business income" loss will be determined based on:
    - (a) The Net Income of the business before the direct physical loss or damage occurred;
    - (b) The likely Net Income of the business if no loss or damage had occurred but not including any Net Income that would likely have been earned as a result of an

increase in the volume of business conditions due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;

- (c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
  - (d) Other relevant sources of information, including:
    - (i) Your financial records and accounting procedures;
    - (ii) Bills, invoices and other vouchers; and
    - (iii) Deeds, liens or contracts.
- (2) The amount of "extra expense" will be determined based on:
- (a) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
    - (i) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
    - (ii) Any "extra expense" that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
  - (b) All necessary expenses that reduce the "business income" loss that otherwise would have been incurred.
- (3) Resumption of Operations
- We will reduce the amount of your:
- (a) "Business income" loss, other than "extra expense", to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or "stock")

at an insured location or elsewhere.

- (b) "Extra expense" loss to the extent you can return "operations" to normal and discontinue such "extra expense".

If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

## V. DEFINITIONS

The following is added to Paragraph H. of Building and Personal Property Coverage Form CP 00 10:

### H. Definitions

1. "Business income" means:
  - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred; and
  - b. Continuing normal operating expenses incurred, including payroll.
  - c. For manufacturing risks, Net Income includes the net sales value of production.
2. "Extra Expense" means the necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property:
  - a. To avoid or minimize the "suspension" of business and to continue "operations":
    - (1) At an insured location; or
    - (2) At replacement premises or at temporary locations, including relocation expenses and costs to equip and operate the replacement or temporary locations;
  - b. To minimize the suspension of business if you cannot continue "operations"; or
  - c. To:
    - (1) Repair or replace any property; or
    - (2) Research, replace or restore the lost information on damaged "valuable papers and records",
 to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.



With regard to **c.(1)** above, we will pay only for those expenses necessary to expedite the repair or replacement of the property. Under this provision, we will not pay for any portion of the ordinary and expected cost to actually repair or replace property.

**3. "Suspension" means:**

- a.** The slowdown or cessation of your business activities; or
- b.** That a part or all of an insured location is rendered un-tenantable, if coverage for "Business Income" including "Rental Value" or "Rental Value" applies.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ILLINOIS CHANGES – DATA BREACH COVERAGE FORM

This endorsement modifies insurance provided under the following:

### DATA BREACH COVERAGE FORM

**A. SECTION E – CONDITIONS, 11. Cancellation and Non-Renewal** is replaced by the following:

**11. Cancellation and Non-Renewal:**

- a. If we decide to cancel this Coverage Part in the first 60 days, we will mail:

- (1) 10 days' written notice of cancellation for nonpayment of premium; or
- (2) 30 days' written notice of cancellation for any other reason.

If this Coverage Part has been in effect for 60 days or more or is a renewal of a Coverage Part we issued, then we will mail:

- (3) 10 days' written notice of cancellation for nonpayment of premium; or
- (4) 60 days' written notice of cancellation for one or more of the following reasons:
  - (a) The Coverage Part was obtained through a material representation;
  - (b) Any insured violated any of the terms and conditions of the policy;
  - (c) The risk originally accepted has measurably increased;
  - (d) Certification is provided to the Director of Insurance in Illinois of the loss of reinsurance by us which provided coverage to us for a substantial part of the underlying risk insured; or
  - (e) A determination is made by the Director of Insurance in Illinois that the continuation of the policy could place us in violation of the insurance laws of Illinois.

Cancellation notices will state the reason for cancellation and will be mailed to you and the agent or broker of record at the last addresses known to us. We will maintain proof of mailing on a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office or other commercial mail delivery service.

- b. If we decide not to renew this Coverage Part, we will mail or deliver written notice not less than 60 days before the expiration date to the named insured shown in the Declarations and to the agent or broker of record at the last addresses known to us. Notice will provide an explanation of the reason for nonrenewal. We will maintain proof of mailing on a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office or other commercial mail delivery service.

**B. SECTION E – CONDITIONS, 2. Concealment, Misrepresentation Or Fraud** is replaced by the following:

**2. Concealment, Misrepresentation Or Fraud**

- a. This Coverage Part or Coverage Form is void if you or any "insured" commit fraud or conceal or misrepresent a fact in the process leading to the issuance of this insurance, and such fraud, concealment or misrepresentation is stated in the policy or endorsement or in the written application for this policy and:

- (1) Was made with actual intent to deceive; or
- (2) Materially affected either our decision to provide this insurance or the hazard we assumed.

However, this condition will not serve as a reason to void this Coverage Form after the Coverage Form has been in effect for one year or one policy term, whichever is less.

- b. We do not provide coverage under this Coverage Part or Coverage Form if you or any other "insured" who at any time subsequent to the issuance of this insurance, commit fraud or intentionally conceal or misrepresent a material fact relating to:

- (1) This Coverage Part or Coverage Form;
- (2) The Covered Property

- (3) Your interest in the Covered Property;  
or
- (4) A claim under this Coverage Part or Coverage Form.

- c. Notwithstanding the limitations stated in 2.a. above, we may cancel the Coverage Form in accordance with the terms of the Cancellation Condition.

**C. SECTION E – CONDITIONS, 18. Appraisal** is replaced by the following:

**18. Appraisal**

If we and you disagree on the amount of net income, operating expense or loss either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of the net income, operating expense and loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will not be binding.

Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

However, we will pay your appraiser's fee and the umpire's appraisal fee, if the following conditions exist:

- c. You demanded the appraisal; and
- d. The amount of net income, operating expense and loss, as set by your appraiser, is agreed to by our appraiser or by the umpire.

If there is an appraisal, we will still retain our right to deny the claim; and you will retain your right to file suit against us.

**D. SECTION E – CONDITIONS, 5. Legal Action Against Us** is replaced by the following:

**5. Legal Action Against Us**

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date we first deny the claim in whole or in part.

**E. The following is added to SECTION F – DEFINITIONS, 10. Defense Expenses:**

"Defense Expenses" do not include our routine ongoing expenses or overhead such as salaries of our staff or our staff attorneys.

**F. SECTION E – CONDITIONS 8. Other Insurance,** paragraph b. is replaced by the following:

- b. If there is other insurance covering the same "data breach", other than that described in a. above, we will share proportionately with such other coverage in the benefits or amounts due for Data Breach Services, Data Breach Expense Coverages, and Additional Expense Coverages. We will not pay more than the applicable Limit of Insurance shown in the **SCHEDULE**.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EQUIPMENT BREAKDOWN COVERAGE (INCLUDING ELECTRONIC CIRCUITRY IMPAIRMENT)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 CAUSES OF LOSS – BASIC FORM  
 CAUSES OF LOSS – BROAD FORM  
 CAUSES OF LOSS – SPECIAL FORM

### A. COVERAGE

The following is added as an Additional Coverage to the Causes of Loss – Basic Form, Broad Form and Special Form:

#### Additional Coverage – Equipment Breakdown

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below. Without an “accident” or “electronic circuitry impairment”, there is no Equipment Breakdown Coverage.

1. We will pay for direct physical damage to Covered Property that is the direct result of an “accident” or “electronic circuitry impairment”. We will consider “electronic circuitry impairment” to be physical damage to “covered equipment”.
2. Unless otherwise shown in the “schedule”, the following coverages also apply to the direct result of an “accident” or “electronic circuitry impairment”. However, with respect to coverage **2.i. Service Interruption** below and any Dependent Properties coverage provided by this coverage part, coverage will apply only to the direct result of an “accident” and will not apply to the direct result of “electronic circuitry impairment”. These coverages do not provide additional amounts of insurance.

#### a. Business Income and Extra Expense

- (1) Any insurance provided under the coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a deductible is shown in the “schedule”, then with respect to this endorsement only, the “period of restoration” will begin immediately after the “accident” or “electronic circuitry impairment”, and

the deductible shown in the “schedule” will apply.

- (2) The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in the “schedule”.

#### b. Data Restoration

- (1) We will pay for your reasonable and necessary cost to research, replace and restore lost “data”.
- (2) The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$100,000 unless otherwise shown in the “schedule”.

#### c. Expediting Expenses

- (1) With respect to your damaged Covered Property, we will pay the reasonable extra cost to:
  - (a) Make temporary repairs; and
  - (b) Expedite permanent repairs or permanent replacement.
- (2) The most we will pay for loss or expense under this coverage is \$100,000 unless otherwise shown in the “schedule”.

#### d. Fungus, Wet Rot, Dry Rot and Bacteria

- (1) We will pay your additional cost to repair or replace Covered Property because of contamination by “fungus”, wet rot, dry rot or bacteria. This includes the additional costs to clean up or dispose of such property. This does not include spoilage of personal property that is “perishable goods” to

the extent that such spoilage is covered under Spoilage coverage.

- (2) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "fungus", wet rot, dry rot or bacteria been involved.
- (3) We will also pay the cost of testing performed after repair or replacement of the damaged Covered Property is completed only to the extent that there is reason to believe there is the presence of "fungus", wet rot, dry rot or bacteria.
- (4) This coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.
- (5) The most we will pay in any "one equipment breakdown" for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$15,000 even if the "fungus", wet rot, dry rot or bacteria continues to be present or active or recurs in a later policy period.

**e. Hazardous Substances**

- (1) We will pay your additional cost to repair or replace Covered Property because of contamination by a "hazardous substance". This includes the additional expenses to clean up or dispose of such property.
- (2) This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in **2.j.(1)(b)** below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.
- (3) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$100,000 unless otherwise shown in the "schedule".

**f. Off Premises Equipment Breakdown**

- (1) We will pay for physical damage to transportable "covered equipment" that, at the time of the "accident" or "electronic circuitry impairment", is not at a covered location. As respects this Off Premises Equipment Breakdown coverage only, the "accident" or "electronic circuitry impairment" may occur in any country except one in which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.
- (2) We will also pay for your reasonable and necessary cost to research, replace and restore lost "data" contained within "covered equipment" as described under **f.(1)** above. This amount may not exceed the limit applicable to Data Restoration coverage.
- (3) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, and Data Restoration as described in **f.(2)** above is the limit for Property Off Premises Coverage Extension shown in your policy.

**g. Public Relations**

- (1) This coverage only applies if you have sustained an actual loss of Business Income covered under this endorsement.
- (2) We will pay for your reasonable costs for professional services to create and disseminate communications, when the need for such communications arises directly from the interruption of your business. This communication must be directed to one or more of the following:
  - (a) The media;
  - (b) The public; or
  - (c) Your customers, clients or members.
- (3) Such costs must be incurred during the "period of restoration" or up to 30 days after the "period of restoration" has ended.
- (4) The most we will pay for loss or expense under this coverage is \$5,000.

**h. Scientific Animals**

We will pay for loss or damage to “scientific animals” resulting from an “accident” to “covered equipment” when the Life Science Property Broadening Endorsement is included in the policy. The most we will pay for loss, damage or expense under this coverage is the lesser of the limit shown in the Life Science Property Broadening Endorsement or \$100,000, unless otherwise shown in the “schedule”.

**i. Service Interruption**

- (1) Any insurance provided for Business Income, Extra Expense, Data Restoration or Spoilage is extended to apply to your loss, damage or expense caused by a failure or disruption of service. The failure or disruption of service must be caused by an “accident” to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord’s utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, “cloud computing services”, wide area networks or data transmission. The equipment must meet the definition of “covered equipment” except that it is not Covered Property.
- (2) “Cloud computing services” must be provided by a professional provider with whom you have a contract.
- (3) With respect to the Data Restoration portion of this Service Interruption coverage, coverage will also apply to “data” stored in the equipment of a provider of “cloud computing services”.
- (4) Unless otherwise shown in the “schedule”, Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the “accident”. If the interruption exceeds 24 hours, coverage will begin at the time of the disruption, and the applicable deductible will apply.
- (5) The most we will pay in any “one equipment breakdown” for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense,

Data Restoration or Spoilage, except that if a limit is shown in the “schedule” for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

**j. Spoilage**

**(1) We will pay for:**

- (a) Physical damage to “perishable goods” due to spoilage;
- (b) Physical damage to “perishable goods” due to contamination from the release of refrigerant, including but not limited to ammonia;
- (c) Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

(2) If you are unable to replace the “perishable goods” before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the “perishable goods” at the time of the “accident” or “electronic circuitry impairment”, less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

(3) The most we will pay for loss, damage or expense under this coverage is \$100,000 unless otherwise shown in the “schedule”.

**B. EXCLUSIONS**

All exclusions in the applicable Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this endorsement.

**1. The following exclusions are modified:**

- a. If the Causes of Loss – Basic Form or Causes of Loss – Broad Form apply, the following is added to **Exclusion B.2.:**

Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. However, if an “accident” or “electronic circuitry impairment” results, we will pay for the resulting loss, damage or expense caused by that “accident” or “electronic circuitry impairment”.



- b. If the Causes of Loss – Special Form applies, with respect to this endorsement only, the last paragraph of **Exclusion B.2.d.** is replaced by the following:
- But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in an “accident” or “electronic circuitry impairment”, we will pay for the loss, damage or expense caused by that “accident” or “electronic circuitry impairment”.
2. The following exclusions are added to the Building and Personal Property Coverage Form, the Condominium Association Coverage Form, the Condominium Commercial Unit-Owners Coverage Form, the Causes Of Loss – Basic Form, the Causes Of Loss – Broad Form, and the Causes Of Loss – Special Form:
- a. We will not pay for loss, damage or expense caused directly or indirectly by any of the following, whether or not caused by or resulting from an “accident” or “electronic circuitry impairment”:
- (1) Fire, including smoke from a fire;
  - (2) Explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from that furnace to the atmosphere;
  - (3) Any other explosion, except as specifically covered under this endorsement;
  - (4) Any earth movement, including but not limited to earthquake, subsidence, sinkhole collapse, landslide, earth sinking, tsunami or volcanic action;
  - (5) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; mudslide or mudflow; or water that backs up or overflows from a sewer, drain or sump. However, if electrical “covered equipment” requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies; or
  - (6) Vandalism.
- b. Coverage under this endorsement does not apply to an “accident” or “electronic circuitry impairment” caused by or resulting from:
- (1) Lightning;
  - (2) Windstorm or hail. However this exclusion does not apply when:
    - (a) “Covered equipment” located within a building or structure suffers an “accident” or “electronic circuitry impairment” that results from wind-blown rain, snow, sand or dust; and
    - (b) The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow or dust entered.
  - (3) Smoke; aircraft or vehicles; riot or civil commotion; sprinkler leakage; elevator collision;
  - (4) Breakage of glass; falling objects; weight of snow, ice or sleet; freezing (caused by cold weather); collapse or molten material;
  - (5) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or
  - (6) Water or other means used to extinguish a fire.
- c. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your customer or supplier.
- d. Except as specifically provided under **A.2.d. Fungus, Wet Rot, Dry Rot and Bacteria** coverage we will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an “accident” or “electronic circuitry impairment”: Any “fungus”, wet rot, dry rot or bacteria, including any presence, growth, proliferation, spread or any activity of “fungus”, wet rot, dry rot or bacteria. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such “fungus”, wet rot, dry rot or bacteria. However, this exclusion does not apply to spoilage of personal property that is “perishable goods”, to the extent that such spoilage is covered under Spoilage coverage.
- e. Except as specifically provided under **A.2.h. Scientific Animals** coverage, we



will not pay for any loss or damage to animals.

**3. Exclusions 2.b.(1), 2.b.(2), 2.b.(3), and 2.b.(4)** above shall not apply if:

- a. The excluded cause of loss occurs away from any covered location and causes an electrical surge or other electrical disturbance;
- b. Such surge or disturbance is transmitted through utility service transmission lines to the covered location and results in an "accident" or "electronic circuitry impairment"; and
- c. The loss, damage or expense caused by such surge or disturbance is not covered elsewhere under the policy.

**4. Any cause of loss set forth in Exclusion 2.b.(4) above that is not a Covered Cause of Loss in this coverage part shall be excluded only as respects Service Interruption coverage.**

**C. DEFINITIONS**

For the purpose of this endorsement only, the following definitions are added:

**1. "Accident"**

- a. "Accident" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:

- (1) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- (2) Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- (3) Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
- (4) Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- (5) Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

- b. None of the following is an "accident":

- (1) Defect, programming error, programming limitation, computer virus, malicious code, loss of "data",

loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind; or

- (2) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident".

**2. "Boilers and vessels" means:**

- a. Any boiler, including attached steam, condensate and feedwater piping; and
- b. Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in the "schedule".

- 3. "Cloud computing services" means** professional, on-demand, self-service data storage or data processing services provided through the internet or over telecommunications lines. This includes services known as IaaS (infrastructure as a service), PaaS (platform as a service), SaaS (software as a service) and NaaS (network as a service). This includes business models known as public clouds, community clouds and hybrid clouds. "Cloud computing services" include private clouds if such services are owned and operated by a third party.

**4. "Covered equipment"**

- a. "Covered equipment" means, unless otherwise specified in the "schedule", Covered Property:

- (1) That generates, transmits or utilizes energy; or
- (2) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

"Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.

- b. None of the following is "covered equipment":

- (1) Structure, foundation, cabinet or compartment;
- (2) Insulating or refractory material;

- (3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
        - (4) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
        - (5) "Vehicle" or any equipment mounted on a "vehicle";
        - (6) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
        - (7) Dragline, excavation or construction equipment; or
        - (8) Equipment manufactured by you for sale.
  5. "Data" means information or instructions stored in digital code capable of being processed by machinery.
  6. "Electronic circuitry" means microelectronic components, including but not limited to circuit boards, integrated circuits, computer chips and disk drives.
  7. "Electronic circuitry impairment"
    - a. "Electronic circuitry impairment" means a fortuitous event involving "electronic circuitry" within "covered equipment" that causes the "covered equipment" to suddenly lose its ability to function as it had been functioning immediately before such event. This definition is subject to the conditions specified in **b.**, **c.** and **d.** below.
    - b. We shall determine that the reasonable and appropriate remedy to restore such "covered equipment's" ability to function is the replacement of one or more "electronic circuitry" components of the "covered equipment".
    - c. The "covered equipment" must be owned or leased by you, or operated under your control.
    - d. None of the following is "electronic circuitry impairment":
      - (1) Any condition that can be reasonably remedied by:
        - (a) Normal maintenance, including but not limited to replacing expendable parts, recharging batteries or cleaning;
        - (b) Rebooting, reloading or updating software or firmware; or
        - (c) Providing necessary power or supply.
      - (2) Any condition caused by or related to:
        - (a) Incompatibility of the "covered equipment" with any software or equipment installed, introduced or networked within the prior 30 days;
        - (b) Insufficient size, capability or capacity of the "covered equipment"; or
        - (c) Exposure to adverse environmental conditions, including but not limited to change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty shall not be considered an observable loss of functionality.
  8. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
  9. "Media" means material on which "data" is recorded, such as solid state drives, hard disks, optical disks, flash drives, magnetic tapes or floppy disks.
  10. "One equipment breakdown" means: If an initial "accident" or "electronic circuitry impairment" causes other "accidents" or "electronic circuitry impairments", all will be considered "one equipment breakdown". All "accidents" or "electronic circuitry impairments" that are the result of the same "accident" or "electronic circuitry impairment" will be considered "one equipment breakdown".
  11. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
  12. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus. However, "production machinery" does not mean any boiler, or fired or unfired pressure vessel.

This term does not appear elsewhere in this endorsement, but may appear in the "schedule".
  13. "Schedule" means the Equipment Breakdown Coverage Schedule.

14. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to: car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle".

#### D. DEDUCTIBLE

The Building and Personal Property Coverage Form is modified as follows:

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in the "schedule". If a separate Equipment Breakdown deductible is shown, the following applies.

Only in regards to Equipment Breakdown Coverage, provision **D. DEDUCTIBLE** in the Building and Personal Property Coverage Form, the Condominium Association Coverage Form, the Condominium Commercial Unit-Owners Coverage Form, the Causes Of Loss – Basic Form, the Causes Of Loss – Broad Form, and the Causes Of Loss – Special Form: is replaced by the following:

##### 1. Deductibles for Each Coverage

- a. Unless the "schedule" indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one equipment breakdown".
- b. We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the "schedule". We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- c. If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one equipment breakdown", only the highest deductible for each coverage will apply.

##### 2. Direct and Indirect Coverages

- a. Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the "schedule".
- b. Unless more specifically indicated in the "schedule":
  - (1) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
  - (2) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

#### 3. Application of Deductibles

##### a. Dollar Deductibles

We will not pay for loss, damage or expense resulting from any "one equipment breakdown" until the amount of loss, damage or expense exceeds the applicable deductible shown in the "schedule". We will then pay the amount of loss, damage or expense in excess of the applicable deductible or deductibles, up to the applicable Limit of Insurance.

##### b. Time Deductible

If a time deductible is shown in the "schedule", we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident" or "electronic circuitry impairment". If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

##### c. Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" or "electronic circuitry impairment" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or "electronic circuitry impairment" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration". The number indicated in the "schedule" will be multiplied by the ADV as

determined above. The result shall be used as the applicable deductible.

**d. Percentage of Loss Deductibles**

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

**E. CONDITIONS**

1. The following conditions are added to the Conditions in the Building and Personal Property Coverage Form, the Condominium Association Coverage Form, the Condominium Commercial Unit-Owners Coverage Form, the Commercial Property Conditions and the Common Policy Conditions:

**a. Suspension**

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" or "electronic circuitry impairment" to that "covered equipment". This can be done by mailing or delivering a written notice of suspension to:

- (1) Your last known address; or
- (2) The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment". If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

**b. Jurisdictional Inspections**

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

**c. Coinsurance**

If a coinsurance percentage is shown in the "schedule" for specified coverages, the following condition applies.

We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.

2. For the purpose of this endorsement only, **E. Loss Conditions, 7. Valuation** in the Building and Personal Property Coverage Form is replaced by the following:

**7. Valuation**

We will determine the value of Covered Property as follows:

- a. Except as specified otherwise, our payment for damaged Covered Property will be the smallest of:

- (1) The cost to repair the damaged property;
- (2) The cost to replace the damaged property on the same site; or
- (3) The amount you actually spend that is necessary to repair or replace the damaged property.

- b. Except as described in **c.** below, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.

**c. Environmental, Safety and Efficiency Improvements**

If "covered equipment" requires replacement due to an "accident" or "electronic circuitry impairment", we will pay your additional cost to replace with equipment that is better for the environment, safer for people or more energy or water efficient than the equipment being replaced. However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with

like kind and quality. This provision does not apply to the replacement of component parts or to any property to which Actual Cash Value applies and does not increase any of the applicable limits.

d. The following property will be valued on an Actual Cash Value basis:

- (1) Any property that does not currently serve a useful or necessary function for you;
- (2) Any Covered Property that you do not repair or replace within 24 months after the date of the "accident" or "electronic circuitry impairment"; and
- (3) Any Covered Property for which Actual Cash Value coverage is specified in a "schedule", Actual Cash Value includes deductions for depreciation.

e. If any one of the following conditions is met, property held for sale by you will be valued at the sales price as if no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:

- (1) The property was manufactured by you;

(2) The sales price of the property is less than the replacement cost of the property; or

(3) You are unable to replace the property before its anticipated sale.

f. Except as specifically provided for under Data Restoration coverage, "data" and "media" will be valued on the following basis:

- (1) For mass-produced and commercially available software, at the replacement cost.
- (2) For all other "data" and "media", at the cost of blank "media" for reproducing the records. We will not pay for "data" representing financial records based on the face value of such records.

The most we will pay for loss, damage or expense under this endorsement arising from any "one equipment breakdown" is the applicable Limit of Insurance in the Declarations unless otherwise shown in the "schedule". Coverage provided under this endorsement does not provide an additional amount of insurance.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



## COMMERCIAL PROPERTY COVERAGE PART EQUIPMENT BREAKDOWN COVERAGE SCHEDULE

*Equipment Breakdown is subject to the Limits of Insurance shown in the Declarations except as specifically shown below.*

*These coverages apply to all locations covered on the policy, unless otherwise specified.*

Coverages	Limits
Equipment Breakdown Limit	\$\$2059420
Business Income	\$Included
Extra Expense	\$Included
Data Restoration	\$100,000
Expediting Expenses	\$100,000
Hazardous Substances	\$100,000
Scientific Animals	\$0
Service Interruption	\$Included in BI, EE and/or Spoilage Limit
Spoilage	\$100,000

	Deductibles
Combined, All Coverages	\$0
Direct Coverages	\$2,500
Indirect Coverages	\$0 or 72 hours or times ADV
Spoilage	\$2,500 or % of loss, \$ minimum

### Other Conditions

Period of Loss Extension: Follows Property
Demolition and ICC: Property Amount or \$2,500,000, Whichever is Less
We will not pay for any loss under Service Interruption coverage unless the interruption exceeds: 24 Hours



## IMPORTANT NOTICE TO POLICYHOLDERS

### EQUIPMENT BREAKDOWN COVERAGE REVISION

### SUMMARY OF ENDORSEMENT CHANGES

THIS NOTICE CONTAINS IMPORTANT SUMMARY INFORMATION ABOUT A CHANGE IN COVERAGE. PLEASE READ IT CAREFULLY.

THIS NOTICE DOES NOT PROVIDE ANY COVERAGE AND DOES NOT REPLACE ANY PROVISIONS IN YOUR POLICY. READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

IF YOU HAVE ANY QUESTIONS REGARDING THIS NOTICE, PLEASE CONTACT YOUR INSURANCE AGENT.

The Hanover Insurance Group, in an effort to further address the needs of our policyholders, has modified the **EQUIPMENT BREAKDOWN COVERAGE** endorsement. The new endorsement, **EQUIPMENT BREAKDOWN COVERAGE (INCLUDING ELECTRONIC CIRCUITRY IMPAIRMENT)**, is designed to provide an enhanced and streamlined product.

Your expiring **EQUIPMENT BREAKDOWN COVERAGE** endorsement has been **replaced** in its entirety with the new **EQUIPMENT BREAKDOWN COVERAGE (INCLUDING ELECTRONIC CIRCUITRY IMPAIRMENT)** endorsement.

The following is a summary of major changes which will apply to your policy at renewal. This notice does **not** reference every change made in your policy. If you have any questions or concerns, please contact your agent.

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#### 451-0038 11 16 EQUIPMENT BREAKDOWN COVERAGE (INCLUDING ELECTRONIC CIRCUITRY IMPAIRMENT)

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#### Changes That May Broaden Coverage:

##### A. COVERAGE

- There are 3 new coverages: **2.f. Off Premises Equipment Breakdown**; **2.g. Public Relations**; and **2.h. Scientific Animals**.
- In paragraph **2.d.** by replacing the coverage for **Mold** with a new coverage called **Fungus, Wet Rot, Dry Rot and Bacteria**. "Fungus" is a defined term, which includes mold. As the new coverage name indicates, coverage in the new edition includes wet rot, dry rot and bacteria.
- In paragraph **2.i.** by adding "Data Restoration"; by adding "a failure or disruption of service. The failure or disruption of service must be caused by"; by adding "including overhead transmission lines"; by adding "a landlord's utility"; by deleting "with whom you have a contract to supply"; by adding "who provides"; by adding "cloud computing services"; by adding "Cloud computing services' must be provided by a professional provider with whom you have a contract"; by adding "With respect to the Data Restoration portion of this Service Interruption coverage, coverage will also apply to 'data' stored in the equipment of a provider of 'cloud computing services'"; by adding "If the interruption exceeds 24 hours, coverage will begin at the time of the disruption, and the applicable deductible will apply"; by adding "in any 'one equipment breakdown'"; and by adding "Data Restoration".
- In paragraph **2.j.** by adding "or 'electronic circuitry impairment'".

#### Other Changes:

##### A. COVERAGE

- In the preamble by adding "Without an 'accident' or 'electronic circuitry impairment', there is no Equipment Breakdown Coverage"; and by introducing "electronic circuitry impairment" as a new defined term.

- In paragraph 1. preamble by deleting the words “As used in this Additional Coverage, ‘accident’ means a fortuitous event that causes direct”; adding “or ‘electronic circuitry impairment’”. We will consider ‘electronic circuitry impairment’ to be”; and deleting “The event must be one of the following.”.
- In the 11 04 edition, paragraphs 1.a. – 1.e. have been deleted.
- In paragraph 2. preamble by putting “schedule” in quotes making it a defined term. “Schedule” is in quotes throughout the new endorsement. The use of quotes for “schedule” will not be called out again hereafter; and by adding “or ‘electronic circuitry impairment’”. However, with respect to coverage 2.i. Service Interruption below and any Dependent Properties coverage provided by this coverage part, coverage will apply only to the direct result of an ‘accident’ and will not apply to the direct result of ‘electronic circuitry impairment’”.
- In paragraph 2. the order of the coverages has changed in some cases. This notice will follow the order of coverages identified in the new edition.
- In paragraph 2.a. by deleting “The most we will pay for loss of Business Income you sustain or necessary Extra Expense you incur is the limit shown in the Declarations for that coverage, unless otherwise shown in a Schedule”; by adding “However, if a deductible is shown in the ‘schedule’, then with respect to this endorsement only, the ‘period of restoration’ will begin immediately after the ‘accident’ or ‘electronic circuitry impairment’, and the deductible shown in the ‘schedule’ will apply”; and by adding “The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in the ‘schedule’”.
- In paragraph 2.c. by adding “damaged”.

#### **B. EXCLUSIONS**

- The exclusion section has been rewritten in its entirety. All major changes are identified below.
- In 1.a. by adding “or ‘electronic circuitry impairment’”; and by adding “caused by that ‘accident’ or ‘electronic circuitry impairment’”.
- In 1.b. by adding “‘electronic circuitry impairment’” in the preamble.
- In 2.b.(3) by adding “elevator collision”.
- In 2.b.(4) by adding “Breakage of glass”; and adding “(caused by cold weather)”.
- In 2.b.(6) by adding “Water or other means used to extinguish a fire”.
- In 2.d. by adding “‘electronic circuitry impairment’”.
- In 2.e. by adding “Except as specifically provided under A.2.h. **Scientific Animals** coverage”.
- By adding paragraphs 3. and 4.

#### **C. DEFINITIONS**

- The following are new Definitions: “Cloud computing services”; “Electronic circuitry”; “Electronic circuitry impairment”; “One equipment breakdown” (replaces “one accident”); and “Schedule”.
- In paragraph 1. by putting the meaning of “accident” in the Definitions section. In the 11 04 edition the meaning of “accident” was partly at the beginning of the endorsement and partly in the Exclusions section.

#### **D. DEDUCTIBLE**

- In the preamble by deleting “The definitions stated above apply to Section B. of this endorsement”.
- In paragraph 3.b. by adding “or ‘electronic circuitry impairment’”.
- In paragraph 3.c. by adding “or ‘electronic circuitry impairment’”.

#### **E. CONDITIONS**

- In paragraph 1. preamble by adding “the Condominium Association Coverage Form, the Condominium Commercial Unit-Owners Coverage Form, the Commercial Property Conditions”.
- In paragraph 1.a. by adding “or ‘electronic circuitry impairment’”.
- By adding paragraph 2.

**COMMERCIAL PROPERTY**  
**CP 00 10 10 12**

## **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **H. Definitions**.

### **A. Coverage**

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

#### **1. Covered Property**

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.** Property Not Covered, if a Limit Of Insurance is shown in the Declarations for that type of property.

**a. Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire-extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;
  - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

#### **b. Your Business Personal Property**

consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

#### **c. Personal Property Of Others** that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

## 2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, **n.**, does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

  - (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;

- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
  - (c) Rowboats or canoes out of water at the described premises; or
  - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or
- q. The following property while outside of buildings:
- (1) Grain, hay, straw or other crops;
  - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

### 3. Covered Causes Of Loss

See applicable Causes Of Loss form as shown in the Declarations.

### 4. Additional Coverages

#### a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
  - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
  - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
  - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;

- (d) Remove property of others of a type that would not be Covered Property under this Coverage Form;
  - (e) Remove deposits of mud or earth from the grounds of the described premises;
  - (f) Extract "pollutants" from land or water; or
  - (g) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
- (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
  - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
- (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
  - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.



Therefore, if **(4)(a)** and/or **(4)(b)** applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

## **(5) Examples**

The following examples assume that there is no Coinsurance penalty.

### **Example 1**

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 – \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph **(3)**.

### **Example 2**

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense:	\$ 40,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

The basic amount payable for debris removal expense under the terms of Paragraph **(3)** is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000, capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph **(4)**, because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph **(4)**. Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

## **b. Preservation Of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1)** While it is being moved or while temporarily stored at another location; and
- (2)** Only if the loss or damage occurs within 30 days after the property is first moved.

## **c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

- (1)** Assumed by contract or agreement prior to loss; or
- (2)** Required by local ordinance.

No Deductible applies to this Additional Coverage.



**d. Pollutant Clean-up And Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

**e. Increased Cost Of Construction**

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in **e.(3)** through **e.(9)** of this Additional Coverage.
- (3) The ordinance or law referred to in **e.(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
  - (a) You were required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.

- (5) Under this Additional Coverage, we will not pay for:

- (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:

- (a) We will not pay for the Increased Cost of Construction:
  - (i) Until the property is actually repaired or replaced at the same or another premises; and
  - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

**f. Electronic Data**

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.

- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:

- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
- (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
- (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

## 5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

### a. Newly Acquired Or Constructed Property

#### (1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

## (2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
  - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
  - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:
  - (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
  - (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

## (3) Period Of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

**b. Personal Effects And Property Of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers And Records (Other Than Electronic Data)**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

**d. Property Off-premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
  - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
  - (a) In or on a vehicle; or
  - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

**f. Non-owned Detached Trailers**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
  - (a) The trailer is used in your business;
  - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
  - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
  - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
  - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

**g. Business Personal Property Temporarily In Portable Storage Units**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the building or structure described in the Declarations or within 100 feet of the premises described in the Declarations, whichever distance is greater.

- (2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.
- (3) Coverage under this Extension:
  - (a) Will end 90 days after the business personal property has been placed in the storage unit;
  - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.
- (4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

**B. Exclusions And Limitations**

See applicable Causes Of Loss form as shown in the Declarations.

**C. Limits Of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.



The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

#### D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

#### Example 1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building 1:	\$ 60,000
Limit of Insurance – Building 2:	\$ 80,000
Loss to Building 1:	\$ 60,100
Loss to Building 2:	\$ 90,000

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building 1:

\$ 60,100
– 250
<hr/>
\$ 59,850 Loss Payable – Building 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

$$\$59,850 + \$80,000 = \$139,850$$

#### Example 2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example 1.

Loss to Building 1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building 2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

#### E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

##### 1. Abandonment

There can be no abandonment of any property to us.

##### 2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

##### 3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.



- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
  - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
  - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
  - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
  - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
  - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

#### 4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
  - (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.

- h.** A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

## 5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

## 6. Vacancy

### a. Description Of Terms

- (1)** As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:
- (a)** When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

- (b)** When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- (i)** Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
- (ii)** Used by the building owner to conduct customary operations.

- (2)** Buildings under construction or renovation are not considered vacant.

### b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1)** We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:
- (a)** Vandalism;
- (b)** Sprinkler leakage, unless you have protected the system against freezing;
- (c)** Building glass breakage;
- (d)** Water damage;
- (e)** Theft; or
- (f)** Attempted theft.
- (2)** With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

## 7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a.** At actual cash value as of the time of loss or damage, except as provided in **b.**, **c.**, **d.** and **e.** below.
- b.** If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value, even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
  - (1) Actual cash value of the lost or damaged property if you make repairs promptly.
  - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (3) Nothing if others pay for repairs or replacement.

## F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

### 1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

### Example 1 (Underinsurance)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 100,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$100,000 \div \$200,000 = .50$

Step (3):  $\$40,000 \times .50 = \$20,000$

Step (4):  $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

### Example 2 (Adequate Insurance)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 200,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$250,000 \times 80\%$ ). Therefore, the Limit of Insurance in this example is adequate, and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

### Example 3

When:	The value of the property is:	
	Building at Location 1:	\$ 75,000
	Building at Location 2:	\$ 100,000
	Personal Property at Location 2:	<u>\$ 75,000</u>
		\$ 250,000
	The Coinsurance percentage for it is:	90%
	The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is:	\$ 180,000
	The Deductible is:	\$ 1,000
	The amount of loss is:	
	Building at Location 2:	\$ 30,000
	Personal Property at Location 2:	<u>\$ 20,000</u>
		\$ 50,000

Step (1):  $\$250,000 \times 90\% = \$225,000$   
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):  $\$180,000 \div \$225,000 = .80$

Step (3):  $\$50,000 \times .80 = \$40,000$

Step (4):  $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

## 2. Mortgageholders

- The term mortgageholder includes trustee.
- We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - Pays any premium due under this Coverage Part at our request if you have failed to do so;

- Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

- Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

- The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

- 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

## G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

### 1. Agreed Value

- The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
  - (1) On or after the effective date of this Optional Coverage; and
  - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

## 2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
  - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
  - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
  - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

### Example

If: The applicable Limit of Insurance is: \$ 100,000  
 The annual percentage increase is: 8%  
 The number of days since the beginning of the policy year (or last policy change) is: 146  
 The amount of increase is:  
 $\$100,000 \times .08 \times 146 \div 365 =$  \$ 3,200

## 3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
  - (1) Personal property of others;
  - (2) Contents of a residence;
  - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or

- (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
  - (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
  - (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The cost to replace the lost or damaged property with other property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose; or
  - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.



- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

#### **4. Extension Of Replacement Cost To Personal Property Of Others**

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

#### **H. Definitions**

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.



COMMERCIAL PROPERTY  
CP 00 30 10 12

## BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

### A. Coverage

#### 1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit Of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit Of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises means:

- (a) The portion of the building which you rent, lease or occupy;
- (b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

#### 2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

### 3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

### 4. Additional Limitation – Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- d. This Additional Limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

## 5. Additional Coverages

### a. Civil Authority

In this Additional Coverage, Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
  - (2) When your Civil Authority Coverage for Business Income ends;
- whichever is later.

**b. Alterations And New Buildings**

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
  - (a) Used in the construction, alterations or additions; or
  - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

**c. Extended Business Income****(1) Business Income Other Than "Rental Value"**

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
  - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 60 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**(2) "Rental Value"**

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
  - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 60 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**d. Interruption Of Computer Operations**

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.

- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss. However, we will not provide coverage under this Additional Coverage when the Additional Limitation – Interruption Of Computer Operations does not apply based on Paragraph A.4.d. therein.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
  - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, includes Collapse as set forth in that form.
  - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Interruption Of Computer Operations.
  - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage, Interruption Of Computer Operations, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (5) This Additional Coverage, Interruption Of Computer Operations, does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.
- 6. Coverage Extension**
- If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:
- Newly Acquired Locations**
- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
  - b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location, unless a higher limit is shown in the Declarations.
  - c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
    - (1) This policy expires;

(2) 30 days expire after you acquire or begin to construct the property; or

(3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

## **B. Limits Of Insurance**

The most we will pay for loss in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

1. Alterations And New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage.

## **C. Loss Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

### **1. Appraisal**

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

## **2. Duties In The Event Of Loss**

a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
  
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (7) Cooperate with us in the investigation or settlement of the claim.
- (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.



### 3. Loss Determination

- a. The amount of Business Income loss will be determined based on:
  - (1) The Net Income of the business before the direct physical loss or damage occurred;
  - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
  - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
  - (4) Other relevant sources of information, including:
    - (a) Your financial records and accounting procedures;
    - (b) Bills, invoices and other vouchers; and
    - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
  - (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
    - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
    - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
  - (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

### c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

### 4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

### D. Additional Condition

#### COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

1. The Coinsurance percentage shown for Business Income in the Declarations; times
2. The sum of:
  - a. The Net Income (Net Profit or Loss before income taxes), and
  - b. Operating expenses, including payroll expenses,
 that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).



Instead, we will determine the most we will pay using the following steps:

- Step (1):** Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- Step (2):** Divide the Limit of Insurance for the described premises by the figure determined in **Step (1)**; and
- Step (3):** Multiply the total amount of loss by the figure determined in **Step (2)**.

We will pay the amount determined in **Step (3)** or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight – outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form **CP 15 11** is attached);
- (11) All payroll expenses or the amount of payroll expense excluded (if Form **CP 15 10** is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

#### Example 1 (Underinsurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000  
 The Coinsurance percentage is: 50%  
 The Limit of Insurance is: \$ 150,000  
 The amount of loss is: \$ 80,000

**Step (1):**  $\$400,000 \times 50\% = \$200,000$   
 (the minimum amount of insurance to meet your Coinsurance requirements)

**Step (2):**  $\$150,000 \div \$200,000 = .75$

**Step (3):**  $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

#### Example 2 (Adequate Insurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000  
 The Coinsurance percentage is: 50%  
 The Limit of Insurance is: \$ 200,000  
 The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$400,000 \times 50\%$ ). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

#### E. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

##### 1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

- (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
- (2) The Limit Of Insurance shown in the Declarations.

## 2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
  - (1) The Limit of Insurance, multiplied by
  - (2) The fraction shown in the Declarations for this Optional Coverage.

### Example

When:	The Limit of Insurance is:	\$ 120,000
	The fraction shown in the Declarations for this Optional Coverage is:	1/4
	The most we will pay for loss in each period of 30 consecutive days is:	\$ 30,000
	(\$120,000 x 1/4 = \$30,000)	
	If, in this example, the actual amount of loss is:	
	Days 1–30:	\$ 40,000
	Days 31–60:	\$ 20,000
	Days 61–90:	\$ 30,000
		\$ 90,000
	We will pay:	
	Days 1–30:	\$ 30,000
	Days 31–60:	\$ 20,000
	Days 61–90:	\$ 30,000
		\$ 80,000

The remaining \$10,000 is not covered.

## 3. Business Income Agreed Value

- a. To activate this Optional Coverage:
  - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
    - (a) During the 12 months prior to the date of the Work Sheet; and

(b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

(2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:

- (a) The Coinsurance percentage shown in the Declarations; multiplied by
- (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.

b. The Additional Condition, Coinsurance, is suspended until:

- (1) 12 months after the effective date of this Optional Coverage; or
- (2) The expiration date of this policy; whichever occurs first.

c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:

- (1) Within 12 months of the effective date of this Optional Coverage; or
- (2) When you request a change in your Business Income Limit of Insurance.

d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

- (1) The Business Income Limit of Insurance; divided by
- (2) The Agreed Value.

### Example

When:	The Limit of Insurance is:	\$ 100,000
	The Agreed Value is:	\$ 200,000
	The amount of loss is:	\$ 80,000

Step (1):  $\$100,000 \div \$200,000 = .50$

Step (2):  $.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

## 4. Extended Period Of Indemnity

Under Paragraph A.5.c., **Extended Business Income**, the number 60 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

## F. Definitions

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:
  - a. Your business activities occurring at the described premises; and
  - b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
3. "Period of restoration" means the period of time that:
  - a. Begins:
    - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
    - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
 

caused by or resulting from any Covered Cause of Loss at the described premises; and
  - b. Ends on the earlier of:
    - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

  - (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or

- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Rental Value" means Business Income that consists of:
  - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
  - b. Continuing normal operating expenses incurred in connection with that premises, including:
    - (1) Payroll; and
    - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. "Suspension" means:
  - a. The slowdown or cessation of your business activities; or
  - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

**COMMERCIAL PROPERTY****COMMERCIAL PROPERTY CONDITIONS**

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

**A. CONCEALMENT, MISREPRESENTATION OR FRAUD**

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

**B. CONTROL OF PROPERTY**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

**C. INSURANCE UNDER TWO OR MORE COVERAGES**

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

**D. LEGAL ACTION AGAINST US**

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

**E. LIBERALIZATION**

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

**F. NO BENEFIT TO BAILEE**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**G. OTHER INSURANCE**

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

**H. POLICY PERIOD, COVERAGE TERRITORY**

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

**I. TRANSFER OF RIGHTS OF RECOVERY  
AGAINST OTHERS TO US**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.

**COMMERCIAL PROPERTY  
CP 01 40 07 06**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY**

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.  
However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
  - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
  - 2.** Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.



COMMERCIAL PROPERTY  
CP 01 49 06 07

## ILLINOIS CHANGES – ARTIFICIALLY GENERATED ELECTRICAL CURRENT EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

**A.** The exclusion set forth in:

1. Paragraph **B.2.a.** of the Standard Property Policy, the Causes Of Loss – Basic Form, the Causes Of Loss – Broad Form and the Causes Of Loss – Special Form; and
2. Paragraph **B.2.b.** of the Mortgageholders Errors And Omissions Coverage Form

is replaced by the following exclusion:

We will not pay for loss or damage caused by or resulting from artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.

POLICY NUMBER:ZBC D713544 01

COMMERCIAL PROPERTY  
CP 04 11 10 12**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

### SCHEDULE

Premises Number	Building Number	Protective Safeguards Symbols Applicable
2	1	P-1
<b>Describe Any "P-9":</b>		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

**A. The following is added to the Commercial Property Conditions:****Protective Safeguards**

- As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
- The protective safeguards to which this endorsement applies are identified by the following symbols:

**"P-1" Automatic Sprinkler System**, including related supervisory services.

Automatic Sprinkler System means:

- Any automatic fire protective or extinguishing system, including connected:
  - Sprinklers and discharge nozzles;
  - Ducts, pipes, valves and fittings;
  - Tanks, their component parts and supports; and
  - Pumps and private fire protection mains.
- When supplied from an automatic fire protective system:
  - Non-automatic fire protective systems; and

- Hydrants, standpipes and outlets.

**"P-2" Automatic Fire Alarm**, protecting the entire building, that is:

- Connected to a central station; or
- Reporting to a public or private fire alarm station.

**"P-3" Security Service**, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.**"P-4" Service Contract** with a privately owned fire department providing fire protection service to the described premises.**"P-5" Automatic Commercial Cooking Exhaust And Extinguishing System** installed on cooking appliances and having the following components:

- Hood;
- Grease removal device;
- Duct system; and
- Wet chemical fire extinguishing equipment.

**"P-9"**, the protective system described in the Schedule.

**B.** The following is added to the **Exclusions** section of:

Causes Of Loss – Basic Form

Causes Of Loss – Broad Form

Causes Of Loss – Special Form

Mortgageholders Errors And Omissions Coverage Form

Standard Property Policy

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or

2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System or Automatic Commercial Cooking Exhaust And Extinguishing System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

**COMMERCIAL PROPERTY**  
**CP 10 30 10 12**

## CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G. Definitions**.

### A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

### B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

#### a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

#### b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

With respect to coverage for Volcanic Action as set forth in **(5)(a)**, **(5)(b)** and **(5)(c)**, all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion applies regardless of whether any of the above, in Paragraphs **(1)** through **(5)**, is caused by an act of nature or is otherwise caused.

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

**d. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

**e. Utility Services**

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

**f. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

**h. "Fungus", Wet Rot, Dry Rot And Bacteria**

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria result in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungus", wet or dry rot or bacteria result from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:
  - a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
    - (1) Electrical or electronic wire, device, appliance, system or network; or
    - (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d.(1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;

- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

- (7) The following causes of loss to personal property:

- (a) Dampness or dryness of atmosphere;
- (b) Changes in or extremes of temperature; or
- (c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1) You do your best to maintain heat in the building or structure; or



- (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;
- (2) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, including any of the following conditions of property or any part of the property:
- (1) An abrupt falling down or caving in;
- (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, k., does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage, Collapse; or

- (b) To collapse caused by one or more of the following:

- (i) The "specified causes of loss";
- (ii) Breakage of building glass;
- (iii) Weight of rain that collects on a roof; or
- (iv) Weight of people or personal property.

- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Faulty, inadequate or defective:
- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;
- of part or all of any property on or off the described premises.

#### 4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

##### a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:
  - (a) Damage or destruction of "finished stock"; or
  - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.
- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
  - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
  - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

- (5) Any other consequential loss.

##### b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a., Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
  - (a) Your cancelling the lease;
  - (b) The suspension, lapse or cancellation of any license; or
  - (c) Any other consequential loss.

##### c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:
  - (a) Paragraph B.1.a. Ordinance Or Law;
  - (b) Paragraph B.1.c. Governmental Action;
  - (c) Paragraph B.1.d. Nuclear Hazard;
  - (d) Paragraph B.1.e. Utility Services; and
  - (e) Paragraph B.1.f. War And Military Action.
- (2) The following additional exclusions apply to insurance under this Coverage Form:
  - (a) **Contractual Liability**  
We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:
    - (i) Your assumption of liability was executed prior to the accident; and
    - (ii) The building is Covered Property under this Coverage Form.

##### (b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

## 5. Additional Exclusion

The following provisions apply only to the specified property:

### Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

## C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated:

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
  - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
  - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
    - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
    - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
- (2) Business Income Coverage or Extra Expense Coverage.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
  - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
  - (2) Changes in or extremes of temperature;
  - (3) Disease;
  - (4) Frost or hail; or
  - (5) Rain, snow, ice or sleet.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
  - a. Animals, and then only if they are killed or their destruction is made necessary.
  - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
    - (1) Glass; or
    - (2) Containers of property held for sale.
  - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.
 

However, this limitation does not apply:

    - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
    - (2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):
  - a. \$2,500 for furs, fur garments and garments trimmed with fur.
  - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
  - c. \$2,500 for patterns, dies, molds and forms.
  - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:
  - a. Results in discharge of any substance from an automatic fire protection system; or
  - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

#### **D. Additional Coverage – Collapse**

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

1. For the purpose of this Additional Coverage, Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
  - a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
  - c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
  - d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
    - (1) A cause of loss listed in **2.a.** or **2.b.**;
    - (2) One or more of the "specified causes of loss";
    - (3) Breakage of building glass;
    - (4) Weight of people or personal property; or
    - (5) Weight of rain that collects on a roof.
3. This **Additional Coverage – Collapse** does **not** apply to:
  - a. A building or any part of a building that is in danger of falling down or caving in;
  - b. A part of a building that is standing, even if it has separated from another part of the building; or
  - c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
4. With respect to the following property:
  - a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;

- b. Awnings, gutters and downspouts;
  - c. Yard fixtures;
  - d. Outdoor swimming pools;
  - e. Fences;
  - f. Piers, wharves and docks;
  - g. Beach or diving platforms or appurtenances;
  - h. Retaining walls; and
  - i. Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
- (2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
  - b. The personal property which collapses is inside a building; and
  - c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

- 6. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- 7. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
- 8. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in **D.1.** through **D.7.**

#### **E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**

- 1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

- a. A "specified cause of loss" other than fire or lightning; or
- b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

- 2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
  - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
- 3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.



4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form:
  - a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
  - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

## F. Additional Coverage Extensions

### 1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
  - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
  - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
  - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

### 2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

### 3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.



- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension **F.3.** does not increase the Limit of Insurance.

#### G. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or
    - (2) Sinking or collapse of land into man-made underground cavities.
  - b. Falling objects does not include loss or damage to:
    - (1) Personal property in the open; or
    - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

#### c. Water damage means:

- (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and
- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in **c.(1)** or **c.(2)** of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

**COMMERCIAL PROPERTY**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TENTATIVE RATE**

The rates used in the development of the premium for the Commercial Property Coverage Part are tentative. We will adjust the premium effective from the inception date of this Coverage Part once the rates are promulgated. If this is a renewal of a policy previously issued by us, we will adjust the premium effective from the renewal date of this Coverage Part once the rates are promulgated.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
FARM COVERAGE PART  
STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to Standard Property Policy **CP 00 99**, the terms Coverage Part and Coverage Form in this endorsement are replaced by the term Policy.
- B.** The following is added to the **Legal Action Against Us** Condition:  
The two year period for legal action against us is extended by the number of days between the date the proof of loss is filed with us and the date we deny the claim in whole or in part.
- C.** If this policy covers:
  1. The following in **a.** and **b.**, then Paragraphs **2.** and **3.** apply:
    - a.** Real property used principally for residential purposes up to and including a four family dwelling; or
    - b.** Household or personal property that is usual or incidental to the occupancy of any premises used for residential purposes.
  2. The second paragraph of the **Appraisal** Condition is deleted and replaced by the following:
    - a.** Each party will pay its own appraiser and bear the other expenses of the appraisal and umpire equally, except as provided in **b.** below.
    - b.** We will pay your appraiser's fee and the umpire's appraisal fee, if the following conditions exist:
      - (1) You demanded the appraisal; and
      - (2) The full amount of loss, as set by your appraiser, is agreed to by our appraiser or by the umpire.
3. The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following:  
**Concealment, Misrepresentation Or Fraud**
  - a.** This Coverage Part or Coverage Form is void if you or any insured ("insured") commit fraud or conceal or misrepresent a fact in the process leading to the issuance of this insurance, and such fraud, concealment or misrepresentation is stated in the policy or endorsement or in the written application for this policy and:
    - (1) Was made with actual intent to deceive; or
    - (2) Materially affected either our decision to provide this insurance or the hazard we assumed.

However, this condition will not serve as a reason to void this Coverage Part or Coverage Form after the Coverage Part or Coverage Form has been in effect for one year or one policy term, whichever is less.
  - b.** We do not provide coverage under this Coverage Part or Coverage Form to you or any other insured ("insured") who, at any time subsequent to the issuance of this insurance, commit fraud or intentionally conceal or misrepresent a material fact relating to:
    - (1) This Coverage Part or Coverage Form;
    - (2) The Covered Property;
    - (3) Your interest in the Covered Property; or
    - (4) A claim under this Coverage Part or Coverage Form.
  - c.** Notwithstanding the limitations stated in **3.a.** above, we may cancel the Coverage Part or Coverage Form in accordance with the terms of the Cancellation Condition.

**D.** For the Commercial Property Coverage Part and the Standard Property Policy, the following exclusion and related provisions are added to Paragraph **B.2**. Exclusions in the Causes of Loss Forms and to any Coverage Form or policy to which a Causes of Loss Form is not attached:

1. We will not pay for loss or damage arising out of any act an insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no insured is entitled to coverage, even insureds who did not commit or conspire to commit the act causing the loss.

2. However, this exclusion will not apply to deny payment to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if:

- a. The loss arose out of a pattern of criminal domestic violence; and
- b. The perpetrator of the loss is criminally prosecuted for the act causing the loss.

3. If we pay a claim pursuant to Paragraph **D.2.**, our payment to the insured is limited to that insured's insurable interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

**E.** The **Intentional Loss Exclusion** in the Causes of Loss Form – Farm Property, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form is replaced by the following:

1. We will not pay for loss ("loss") or damage arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss ("loss").

In the event of such loss ("loss"), no "insured" is entitled to coverage, even "insureds" who did not commit or conspire to commit the act causing the loss ("loss").

2. However, this exclusion will not apply to deny payment to an innocent co-"insured" who did not cooperate in or contribute to the creation of the loss ("loss") if:

- a. The loss ("loss") arose out of a pattern of criminal domestic violence; and
- b. The perpetrator of the loss ("loss") is criminally prosecuted for the act causing the loss.

3. If we pay a claim pursuant to Paragraph **E.2.**, our payment to the "insured" is limited to that "insured's" insurable interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

**F.** The **Intentional Loss Exclusion** in the Capital Assets Program (Output Policy) Coverage Part, is replaced by the following:

1. We will not pay for loss or damage arising out of any act an insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no insured is entitled to coverage, even insureds who did not commit or conspire to commit the act causing the loss.

2. However, this exclusion will not apply to deny payment to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if:

- a. The loss arose out of a pattern of criminal domestic violence; and
- b. The perpetrator of the loss is criminally prosecuted for the act causing the loss.

3. If we pay a claim pursuant to Paragraph **F.2.**, our payment to the insured is limited to that insured's insurable interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ASBESTOS LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS POLICY  
COMMERCIAL GENERAL LIABILITY COVERAGE PART**

This insurance does not apply to “bodily injury”, “property damage”, “personal injury” or “advertising injury” arising out of any actual or alleged:

1. Inhaling, ingesting or prolonged physical exposure by any person to asbestos or asbestos fibers or goods or products containing asbestos; or
2. Use of asbestos in constructing or manufacturing any good, product or structure; or
3. Intentional or accidental removal including encapsulation, dispersal, sealing or disposal of asbestos or asbestos fibers from any good, product or structure; or
4. Manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos; or
5. Product manufactured, sold, handled or distributed by or on behalf of the insured which contain asbestos; or
6. Acts or omissions of the insured in connection with the general supervision of any job involving the removal, enclosure, encapsulation, dispersal, sealing or disposal of asbestos, asbestos fibers or products containing asbestos.

General supervision includes the rendering of or failure to render any instructions, recommendations, warnings or advice.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – TOBACCO AND ELECTRONIC CIGARETTE LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART FOR OPERATIONS OF DESIGNATED CONTRACTOR  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART

The following is added to **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** and **SECTION I – COVERAGES, COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions** in the COMMERCIAL GENERAL LIABILITY COVERAGE PART; **SECTION I – COVERAGES, BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** in the OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART - COVERAGE FOR OPERATIONS OF DESIGNATED CONTRACTOR; **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** and **SECTION I – COVERAGES, COVERAGE B – PHYSICAL DAMAGE TO PROPERTY, 2. Exclusions** in the RAILROAD PROTECTIVE LIABILITY COVERAGE PART; or **SECTION I – LIQUOR LIABILITY COVERAGE, 2. Exclusions** in the LIQUOR LIABILITY COVERAGE PART:

This insurance does not apply to:

### Tobacco Products and Electronic Cigarettes

Any liability or expense arising out of, resulting from or caused by tobacco products, electronic cigarettes, other electronic nicotine-delivery devices, or smoke, heat, ash, vapor, fumes, propylene glycol, glycerol, flavorings, nicotine, and other byproducts from or components or of such products or devices.

This exclusion also applies to:

- (1) Supervision, instructions, recommendations, warnings, representations, warranties or advice given or which should have been given in connection with the use of tobacco products, electronic cigarettes or other electronic nicotine-delivery devices; or
- (2) Any obligation to share damages with or repay someone else who must pay damages because of injury or damages arising out of the use of tobacco products, electronic cigarettes or other electronic nicotine-delivery devices.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## COMMERCIAL GENERAL LIABILITY BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

#### SUMMARY OF COVERAGES

1.	Additional Insured by Contract, Agreement or Permit	Included
2.	Additional Insured – Primary and Non-Contributory	Included
3.	Blanket Waiver of Subrogation	Included
4.	Bodily Injury Redefined	Included
5.	Broad Form Property Damage – Borrowed Equipment, Customers Goods & Use of Elevators	Included
6.	Knowledge of Occurrence	Included
7.	Liberalization Clause	Included
8.	Medical Payments – Extended Reporting Period	Included
9.	Newly Acquired or Formed Organizations - Covered until end of policy period	Included
10.	Non-owned Watercraft	51 ft.
11.	Supplementary Payments Increased Limits	
	- Bail Bonds	\$2,500
	- Loss of Earnings	\$1000
12.	Unintentional Failure to Disclose Hazards	Included
13.	Unintentional Failure to Notify	Included

This endorsement amends coverages provided under the Commercial General Liability Coverage Part through new coverages, higher limits and broader coverage grants.

#### 1. Additional Insured by Contract, Agreement or Permit

The following is added to **SECTION II – WHO IS AN INSURED**:

##### Additional Insured by Contract, Agreement or Permit

- a. Any person or organization with whom you agreed in a written contract, written agreement or permit that such person or organization to add an additional insured on your policy is an additional insured only with respect to liability for “bodily injury”, “property damage”, or “personal and advertising injury” caused, in whole or in part, by your acts or omissions, or the acts or omissions of those acting on your behalf, but only with respect to:

- (1) "Your work" for the additional insured(s) designated in the contract, agreement or permit;

- (2) Premises you own, rent, lease or occupy; or

- (3) Your maintenance, operation or use of equipment leased to you.

- b. The insurance afforded to such additional insured described above:

- (1) Only applies to the extent permitted by law; and

- (2) Will not be broader than the insurance which you are required by the contract, agreement or permit to provide for such additional insured.

- (3) Applies on a primary basis if that is required by the written contract, written agreement or permit.
  - (4) Will not be broader than coverage provided to any other insured.
  - (5) Does not apply if the "bodily injury", "property damage" or "personal and advertising injury" is otherwise excluded from coverage under this Coverage Part, including any endorsements thereto.
- c. This provision does not apply:
- (1) Unless the written contract or written agreement was executed or permit was issued prior to the "bodily injury", "property damage", or "personal injury and advertising injury".
  - (2) To any person or organization included as an insured by another endorsement issued by us and made part of this Coverage Part.
  - (3) To any lessor of equipment:
    - (a) After the equipment lease expires; or
    - (b) If the "bodily injury", "property damage", "personal and advertising injury" arises out of sole negligence of the lessor
  - (4) To any:
    - (a) Owners or other interests from. whom land has been leased which takes place after the lease for the land expires; or
    - (b) Managers or lessors of premises if:
      - (i) The occurrence takes place after you cease to be a tenant in that premises; or
      - (ii) The "bodily injury", "property damage", "personal injury" or "advertising injury" arises out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor.
  - (5) To "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services.
- This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" or the offense which caused the "personal and

advertising injury" involved the rendering of or failure to render any professional services by or for you.

- d. With respect to the insurance afforded to these additional insureds, the following is added to **SECTION III – LIMITS OF INSURANCE**:

The most we will pay on behalf of the additional insured for a covered claim is the lesser of the amount of insurance:

- 1. Required by the contract, agreement or permit described in Paragraph a.; or
- 2. Available under the applicable Limits of Insurance shown in the Declarations.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

## 2. Additional Insured – Primary and Non-Contributory

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 4. Other insurance:

### Additional Insured – Primary and Non-Contributory

If you agree in a written contract, written agreement or permit that the insurance provided to any person or organization included as an Additional Insured under **SECTION II – WHO IS AN INSURED**, is primary and non-contributory, the following applies:

If other valid and collectible insurance is available to the Additional Insured for a loss covered under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

#### a. Primary Insurance

This insurance is primary to other insurance that is available to the Additional Insured which covers the

Additional Insured as a Named Insured. We will not seek contribution from any other insurance available to the Additional Insured except:

- (1) For the sole negligence of the Additional Insured;
- (2) When the Additional Insured is an Additional Insured under another primary liability policy; or
- (3) when b. below applies.

If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

**b. Excess Insurance**

(1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(b) That is Fire insurance for premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner;

(c) That is insurance purchased by the Additional Insured to cover the Additional Insured's liability as a tenant for "property damage" to premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner; or

(d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**.

(2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other Insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each

insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers

**3. Blanket Waiver of Subrogation**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us:**

We waive any right of recovery we may have against any person or organization with whom you have a written contract that requires such waiver because of payments we make for damage under this coverage form. The damage must arise out of your activities under a written contract with that person or organization. This waiver applies only to the extent that subrogation is waived under a written contract executed prior to the "occurrence" or offense giving rise to such payments.

**4. Bodily Injury Redefined**

**SECTION V – DEFINITIONS**, Definition 3. "bodily injury" is replaced by the following:

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these at any time. "Bodily injury" includes mental anguish or other mental injury resulting from "bodily injury".

**5. Broad Form Property Damage – Borrowed Equipment, Customers Goods, Use of Elevators**

a. **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph 2. **Exclusions** subparagraph j. is amended as follows:

Paragraph (4) does not apply to "property damage" to borrowed equipment while at a jobsite and not being used to perform operations.

Paragraphs (3), (4) and (6) do not apply to "property damage" to "customers goods" while on your premises nor do they apply to the use of elevators at premises you own, rent, lease or occupy.

b. The following is added to **SECTION V – DEFINITIONS:**

24. "Customers goods" means property of your customer on your premises for the purpose of being:

- a. worked on; or
- b. used in your manufacturing process.
- c. The insurance afforded under this provision is excess over any other valid and collectible property insurance (including deductible) available to the insured whether primary, excess, contingent

#### 6. Knowledge of Occurrence

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 2. **Duties in the Event of Occurrence, Offense, Claim or Suit:**

- e. Notice of an "occurrence", offense, claim or "suit" will be considered knowledge of the insured if reported to an individual named insured, partner, executive officer or an "employee" designated by you to give us such a notice.

#### 7. Liberalization Clause

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

##### Liberalization Clause

If we adopt any revision that would broaden the coverage under this Coverage Form without additional premium, within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

#### 8. Medical Payments – Extended Reporting Period

- a. **SECTION I – COVERAGES, COVERAGE C – MEDICAL PAYMENTS**, Paragraph 1. **Insuring Agreement**, subparagraph a.(3)(b) is replaced by the following:
  - (b) The expenses are incurred and reported to us within three years of the date of the accident; and
- b. This coverage does not apply if **COVERAGE C – MEDICAL PAYMENTS** is excluded either by the provisions of the Coverage Part or by endorsement.

#### 9. Newly Acquired Or Formed Organizations

**SECTION II – WHO IS AN INSURED**, Paragraph 3.a. is replaced by the following:

- a. Coverage under this provision is afforded until the end of the policy period.

#### 10. Non-Owned Watercraft

**SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph 2. **Exclusions**, subparagraph g.(2) is replaced by the following:

##### g. Aircraft, Auto Or Watercraft

(2) A watercraft you do not own that is:

- (a) Less than 51 feet long; and
- (b) Not being used to carry persons or property for a charge;

This provision applies to any person who, with your consent, either uses or is responsible for the use of a watercraft.

#### 11. Supplementary Payments Increased Limits

**SECTION I – SUPPLEMENTARY PAYMENTS COVERAGES A AND B**, Paragraphs 1.b. and 1.d. are replaced by the following:

1.b. Up to \$2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

1.d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1000 a day because of time off from work.

#### 12. Unintentional Failure to Disclose Hazards

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 6. **Representations:**

We will not disclaim coverage under this Coverage Part if you fail to disclose all hazards existing as of the inception date of the policy provided such failure is not intentional.

#### 13. Unintentional Failure to Notify

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 2. **Duties in the Event of Occurrence, Offense, Claim or Suit:**

Your rights afforded under this policy shall not be prejudiced if you fail to give us notice of an "occurrence", offense, claim or "suit", solely due to your reasonable and documented belief that the "bodily injury" or "property damage" is not covered under this policy.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## COMMERCIAL GENERAL LIABILITY ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

#### SUMMARY OF COVERAGES

1.	Additional Insured – Broad Form Vendors	Included
2.	Aggregate Limit per Location	Included
3.	Alienated Premises	Included
4.	Broad Form Named Insured	Included
5.	Extended Property Damage	Included
6.	Incidental Malpractice (Employed nurses, EMT's & paramedics)	Included
7.	Mobile Equipment Redefined	Included
8.	Personal Injury – Broad Form	Included
9.	Product Recall Expense	
	- Product Recall Expense Each Occurrence Limit	\$25,000
	- Product Recall Expense Aggregate Limit	\$50,000
	- Product Recall Deductible	\$500
10.	Property Damage Legal Liability – Broad Form	
	- Fire, Lightning, Explosion, Smoke and Leakage from Fire Protective Systems Damage Limit	\$1,000,000

This endorsement amends coverages provided under the Commercial General Liability Coverage Part through new coverages, higher limits and broader coverage grants.

#### 1. Additional Insured – Broad Form Vendors

The following is added to **SECTION II – WHO IS AN INSURED**:

##### Additional Insured – Broad Form Vendors

- a. Any person or organization that is a vendor with whom you agreed in a written contract or written agreement to include as an additional insured under this Coverage Part is an insured, but only with respect to liability for "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business.
- b. The insurance afforded to such vendor described above:
  - (1) Only applies to the extent permitted by law;
  - (2) Will not be broader than the insurance which you are required by the contract or agreement to provide for such vendor;
  - (3) Will not be broader than coverage provided to any other insured; and

- (4) Does not apply if the "bodily injury", "property damage" or "personal and advertising injury" is otherwise excluded from coverage under this Coverage Part, including any endorsements thereto

- c. With respect to insurance afforded to such vendors, the following additional exclusions apply:

The insurance afforded to the vendor does not apply to:

- (1) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reasons of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (2) Any express warranty unauthorized by you;
- (3) Any physical or chemical change in the product made intentionally by the vendor;
- (4) Repackaging, unless unpacked solely for the purpose of inspection, demonstration,



testing, or the substitution of parts under instruction from the manufacturer, and then repackaged in the original container;

- (5) Any failure to make such inspection, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business in connection with the sale of the product;
  - (6) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
  - (7) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
  - (8) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
    - (a) The exceptions contained within the exclusion in subparagraphs (4) or (6) above; or
    - (b) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
  - (9) "Bodily injury" or "property damage" arising out of an "occurrence" that took place before you have signed the contract or agreement with the vendor.
  - (10) To any person or organization included as an insured by another endorsement issued by us and made part of this Coverage Part.
  - (11) Any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
- d. With respect to the insurance afforded to these vendors, the following is added to **SECTION III – LIMITS OF INSURANCE:**
- The most we will pay on behalf of the vendor for a covered claim is the lesser of the amount of insurance:
1. Required by the contract or agreement described in Paragraph a.; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

## 2. Aggregate Limit Per Location

- a. **SECTION III – LIMITS OF INSURANCE**, the General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.
- b. For purpose of this coverage only, the following is added to **SECTION V – DEFINITIONS:**

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

## 3. Alienated Premises

**SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph 2. **Exclusions**, subparagraph j.(2) is replaced by the following:

- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises and occurred from hazards that were known by you, or should have reasonably been known by you, at the time the property was transferred or abandoned.

## 4. Broad Form Named Insured

If you are designated in the Declarations as anything other than an individual, then any organization:

- a. Over which you maintained a combined ownership interest of more than 50% on the effective date of this policy;
- b. That is not a partnership, joint venture or limited liability company; and
- c. That is not excluded by any endorsement to this policy, will qualify as a Named Insured if there is no other similar insurance available to that organization, or that would be available but for exhaustion of its limits.

Any such organization will cease to qualify as a Named Insured as of the date during the policy period when the combined ownership interest of the Named Insureds in the organization equals or falls below 50%.

## 5. Extended Property Damage

**SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph 2. **Exclusions**, subparagraph a. is replaced by the following:



**a. Expected Or Intended Injury**

Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

**6. Incidental Malpractice – Employed Nurses, EMT's and Paramedics**

**SECTION II – WHO IS AN INSURED**, paragraph **2.a.(1)(d)** does not apply to a nurse, emergency medical technician or paramedic employed by you if you are not engaged in the business or occupation of providing medical, paramedical, surgical, dental, x-ray or nursing services.

**7. Mobile Equipment Redefined**

**SECTION V – DEFINITIONS**, Definition **12**. "Mobile Equipment", paragraph **f.(1)** does not apply to self-propelled vehicles of less than 1,000 pounds gross vehicle weight.

**8. Personal Injury – Broad Form**

**a. SECTION I – COVERAGES, COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**, Paragraph **2. Exclusions**, subparagraph **e.** is deleted.

**b. SECTION V – DEFINITIONS**, Definition **14**, "Personal and advertising injury" subparagraph **b.** is replaced by the following:

**b.** Malicious prosecution or abuse of process.

**c.** The following is added to **SECTION V – DEFINITIONS**, Definition **14**. "Personal and advertising injury":

"Discrimination" (unless insurance thereof is prohibited by law) that results in injury to the feelings or reputation of a natural person, but only if such "discrimination" is:

**(1)** Not done intentionally by or at the direction of:

**(a)** The insured;

**(b)** Any officer of the corporation, director, stockholder, partner or member of the insured; and

**(2)** Not directly or indirectly related to an "employee", not to the employment, prospective employment or termination of any person or persons by an insured.

**d.** The following is added to **SECTION V – DEFINITIONS**:

"Discrimination" means the unlawful treatment of individuals based upon race, color, ethnic origin, gender, religion, age, or sexual preference. "Discrimination" does not

include the unlawful treatment of individuals based upon developmental, physical, cognitive, mental, sensory or emotional impairment or any combination of these.

**e.** This coverage does not apply if **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY** is excluded either by the provisions of the Coverage Form or by endorsement.

**9. Product Recall Expense**

**a. SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph **2. Exclusions**, subparagraph **n.** is replaced by the following:

**n. Recall of Products, Work or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

**(1)** "Your product";

**(2)** "Your work"; or

**(3)** "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it, but this exclusion does not apply to "product recall expenses" that you incur for the "covered recall" of "your product".

However, this exception to the exclusion does not apply to "product recall expenses" resulting solely from:

**(4)** Failure of any products to accomplish their intended purpose;

**(5)** Breach of warranties of fitness, quality, durability or performance;

**(6)** Loss of customer approval, or any cost incurred to regain customer approval;

**(7)** Redistribution or replacement of "your product" which has been recalled by like products or substitutes;

**(8)** Caprice or whim of the insured;

**(9)** A condition likely to cause loss of which any insured knew or had reason to know at the inception of this insurance;

- (10) Asbestos, including loss, damage or clean up resulting from asbestos or asbestos containing materials;
  - (11) Recall of "your products" that have no known or suspected defect solely because a known or suspected defect in another of "your products" has been found.
- b. The following is added to **SECTION II – WHO IS AN INSURED**, Paragraph 3.
- COVERAGE A** does not apply to "product recall expense" arising out of any withdrawal or recall that occurred before you acquired or formed the organization.
- c. For the purposes of this endorsement only, the following is added to **SECTION III – LIMITS OF INSURANCE**:
- Product Recall Expense Limits of Insurance**
- a. The Limits of Insurance shown in the SUMMARY OF COVERAGES of this endorsement and rules stated below fix the most we will pay under this Product Recall Expense Coverage regardless of the number of:
    - (1) Insureds:
    - (2) "Covered Recalls" initiated: or
    - (3) Number of "your products" withdrawn.
  - b. The Product Recall Expense Aggregate Limit is the most we will reimburse you for the sum of all "product recall expenses" incurred for all "covered recalls" initiated during the policy period.
  - c. The Product Recall Expense Each Occurrence Limit is the most we will pay in connection with any one defect or deficiency.
  - d. All "product recall expenses" in connection with substantially the same general harmful condition will be deemed to arise out of the same defect or deficiency and considered one "occurrence".
  - e. Any amount reimbursed for "product recall expenses" in connection with any one "occurrence" will reduce the amount of the Product Recall Expense Aggregate Limit available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.
  - f. If the Product Recall Expense Aggregate Limit has been reduced by reimbursement of "product recall

expenses" to an amount that is less than the Product Recall Expense Each Occurrence Limit, the remaining Product Recall Expense Aggregate Limit is the most that will be available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.

**g. Product Recall Deductible**

We will only pay for the amount of "product recall expenses" which are in excess of the \$500 Product Recall Deductible. The Product Recall Deductible applies separately to each "covered recall". The limits of insurance will not be reduced by the amount of this deductible.

We may, or will if required by law, pay all or any part of any deductible amount, if applicable. Upon notice of our payment of a deductible amount, you shall promptly reimburse us for the part of the deductible amount we paid.

The Product Recall Expense Limits of Insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for the purposes of determining the Limits of Insurance.

**d. The following is added to SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, Paragraph 2. Duties in the Event of Occurrence, Offense, Claim or Suit:**

You must take the following actions in the event of an actual or anticipated "covered recall" that may result in "product recall expense":

- (1) Give us prompt notice of any discovery or notification that "your product" must be withdrawn or recalled, including a description of "your product" and the reason for the withdrawal or recall; and
- (2) Cease any further release, shipment, consignment or any other method of distribution of like or similar products until it has been determined that all such products are free from defects that could be a cause of loss under this insurance.

- e. The following definitions are added to **SECTION V – DEFINITIONS**:

"Covered recall," means a recall made necessary because you or a government body has determined that a known or suspected defect, deficiency, inadequacy, or dangerous condition in "your product" has resulted or will result in "bodily injury" or "property damage".

"Product recall expense" means:

- a. Necessary and reasonable expenses for:

- (1) Communications, including radio or television announcements or printed advertisements including stationery, envelopes and postage;
- (2) Shipping the recalled products from any purchaser, distributor or user to the place or places designated by you;
- (3) Remuneration paid to your regular "employees" for necessary overtime;
- (4) Hiring additional persons, other than your regular "employees";
- (5) Expenses incurred by "employees" including transportation and accommodations;
- (6) Expenses to rent additional warehouse or storage space;
- (7) Disposal of "your product", but only to the extent that specific methods of destruction other than those employed for trash discarding or disposal are required to avoid "bodily injury" or "property damage" as a result of such disposal;

You incur exclusively for the purpose of recalling "your product"; and

- b. Your lost profit resulting from such "covered recall".

- f. This Product Recall Expense Coverage does not apply:

- (1) If the "products – completed operations hazard" is excluded from coverage under this Coverage Part including any endorsement thereto; or
- (2) To "product recall expense" arising out of any of "your products" that are otherwise excluded from coverage under this Coverage Part including endorsements thereto.

#### 10. Property Damage Legal Liability – Broad Form

- a. **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, the last paragraph (after the exclusions) is replaced by the following:

Exclusions c. through n. do not apply to damage by fire, lightning, explosion, smoke or leakage from fire protective systems to premises while rented to you or temporarily occupied by you with the permission of the owner. A separate limit of insurance applies to this coverage as described in **SECTION III – LIMITS OF INSURANCE**.

- b. **SECTION III – LIMITS OF INSURANCE**, Paragraph 6. is replaced by the following:

6. Subject to Paragraph 5. above, The Damage to Premises Rented to You Limit is the most we will pay under **COVERAGE A** for damages because of "property damage" to any one premises from fire, lightning, explosion, smoke and leakage from fire protective systems to premises, while rented to you or temporarily occupied by you with permission of the owner.

The Damage to Premises Rented to You Limit is the higher of:

- a. \$1,000,000; or
- b. The Damage to Premises Rented to You Limit shown in the Declarations.

This limit will apply to all damage caused by the same event, whether such damage results from fire, lightning, explosion, smoke, leakage from fire protective systems or any combination of any of these.

- c. **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 4. **Other Insurance**, subparagraph b. **Excess Insurance**, item (a)(ii) is replaced by the following:

- (ii) That is fire, lightning, explosion, smoke or leakage from fire protective systems insurance for premises rented to you or temporarily occupied by you with permission of the owner; or

- d. **SECTION V – DEFINITIONS**, Definition 9. "Insured contract", Paragraph a. is replaced by the following:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke or leakage from fire protective systems to

premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract".

- e. This coverage does not apply if Damage to Premises Rented to You is excluded either by the provisions of the Coverage Part or by endorsement.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

**COMMERCIAL GENERAL LIABILITY**  
**CG 00 01 04 13**

## COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

### SECTION I – COVERAGES

#### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

##### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".



## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".



**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
- (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
- (i) Any insured; or
- (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

**g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

**h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

**i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

## **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:
- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

### **2. Exclusions**

This insurance does not apply to:

#### **a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

#### **b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

#### **c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

#### **d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

#### **e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

#### **f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

#### **g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

#### **h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

**i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

**j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.



## COVERAGE C – MEDICAL PAYMENTS

### 1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
  - (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
 provided that:
  - (a) The accident takes place in the "coverage territory" and during the policy period;
  - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
  - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
  - (1) First aid administered at the time of an accident;
  - (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
  - (3) Necessary ambulance, hospital, professional nursing and funeral services.

### 2. Exclusions

We will not pay expenses for "bodily injury":

- a. **Any Insured**  
To any insured, except "volunteer workers".
- b. **Hired Person**  
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. **Injury On Normally Occupied Premises**  
To a person injured on that part of premises you own or rent that the person normally occupies.

### d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

### e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

### f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

### g. Coverage A Exclusions

Excluded under Coverage A.

## SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

- 1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
  - a. All expenses we incur.
  - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
  - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
  - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
  - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.



- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
  - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - b. This insurance applies to such liability assumed by the insured;
  - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - f. The indemnitee:
    - (1) Agrees in writing to:
      - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
      - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
      - (c) Notify any other insurer whose coverage is available to the indemnitee; and
      - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
    - (2) Provides us with written authorization to:
      - (a) Obtain records and other information related to the "suit"; and
      - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

## SECTION II – WHO IS AN INSURED

- 1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

**2. Each of the following is also an insured:**

- a.** Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
  - (1)** "Bodily injury" or "personal and advertising injury":
    - (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
    - (b)** To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;
    - (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **(1)(a)** or **(b)** above; or
    - (d)** Arising out of his or her providing or failing to provide professional health care services.
  - (2)** "Property damage" to property:
    - (a)** Owned, occupied or used by;
    - (b)** Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by; you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b.** Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c.** Any person or organization having proper temporary custody of your property if you die, but only:

- (1)** With respect to liability arising out of the maintenance or use of that property; and
- (2)** Until your legal representative has been appointed.

- d.** Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

- 3.** Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a.** Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b.** Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c.** Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

**SECTION III – LIMITS OF INSURANCE**

- 1.** The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a.** Insureds;
  - b.** Claims made or "suits" brought; or
  - c.** Persons or organizations making claims or bringing "suits".
- 2.** The General Aggregate Limit is the most we will pay for the sum of:
  - a.** Medical expenses under Coverage **C**;
  - b.** Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c.** Damages under Coverage **B**.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage **A**; and
  - b. Medical expenses under Coverage **C** because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

#### **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**

##### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

##### **3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

#### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

##### a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

##### b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

##### c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### 5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### 6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;



- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

#### **7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

#### **8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

#### **9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

#### **SECTION V – DEFINITIONS**

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
  - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
    - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;
 provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

**9. "Insured contract" means:**

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

**10. "Leased worker" means** a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

**11. "Loading or unloading" means** the handling of property:

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**12. "Mobile equipment" means** any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1)** Power cranes, shovels, loaders, diggers or drills; or
  - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2)** Cherry pickers and similar devices used to raise or lower workers;
- f.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.



However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**13.** "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

**14.** "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

**15.** "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**16.** "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
  - (a) When all of the work called for in your contract has been completed.
  - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
  - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

**17.** "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**18.** "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**19.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

**20.** "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

**21.** "Your product":

**a.** Means:

- (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a)** You;
  - (b)** Others trading under your name; or
  - (c)** A person or organization whose business or assets you have acquired; and
- (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b.** Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
  - (2)** The providing of or failure to provide warnings or instructions.
- c.** Does not include vending machines or other property rented to or located for the use of others but not sold.

**22.** "Your work":

**a.** Means:

- (1)** Work or operations performed by you or on your behalf; and
- (2)** Materials, parts or equipment furnished in connection with such work or operations.

**b.** Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2)** The providing of or failure to provide warnings or instructions.

**COMMERCIAL GENERAL LIABILITY  
CG 02 00 01 18**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ILLINOIS CHANGES – CANCELLATION  
AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PRODUCT WITHDRAWAL COVERAGE PART

**A. Cancellation** (Common Policy Conditions) is replaced by the following:

**Cancellation**

1. The first Named Insured shown in the Declarations may cancel this Policy by mailing to us advance written notice of cancellation.
2. We may cancel this Policy by mailing to you, at your last mailing address known to us, written notice stating the reason for cancellation. Proof of mailing will be sufficient proof of notice. If we cancel:
  - a. For nonpayment of premium, we will mail the notice at least 10 days prior to the effective date of cancellation.
  - b. For a reason other than nonpayment of premium, we will mail the notice at least:
    - (1) 30 days prior to the effective date of cancellation if the Policy has been in effect for 60 days or less.
    - (2) 60 days prior to the effective date of cancellation if the Policy has been in effect for more than 60 days.
3. If this Policy has been in effect for more than 60 days, we may cancel only for one or more of the following reasons:
  - a. Nonpayment of premium;
  - b. The Policy was obtained through a material misrepresentation;
  - c. Any insured has violated any of the terms and conditions of the Policy;
  - d. The risk originally accepted has measurably increased;
  - e. Certification to the Director of Insurance of the loss of reinsurance by the insurer that provided coverage to us for all or a substantial part of the underlying risk insured; or
  - f. A determination by the Director of Insurance that the continuation of the Policy could place us in violation of the insurance laws of this State.
4. Notification of cancellation will also be sent to your broker, if known, or agent of record, if known.
5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
6. If this Policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be less than pro rata. The cancellation will be effective even if we have not offered a refund.

- B. The following is added and supersedes any provision to the contrary:

**Nonrenewal**

If we decide not to renew or continue this Policy, we will mail you written notice, stating the reason for nonrenewal, at least 60 days before the end of the policy period. Proof of mailing will be sufficient proof of notice. Notification of nonrenewal will also be sent to your broker, if known, or agent of record, if known. If we offer to renew or continue and you do not accept, this Policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this Policy will end on the effective date of that insurance.

POLICY NUMBER: ZBC D713544 01

COMMERCIAL GENERAL LIABILITY  
CG 04 35 12 07**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****EMPLOYEE BENEFITS LIABILITY COVERAGE****THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.  
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Coverage	Limit Of Insurance	Each Employee Deductible	Premium
Employee Benefits Programs	\$1,000,000 each employee	\$1,000	\$316
	\$3,000,000 aggregate		
Retroactive Date:	12/31/2017		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

**A. The following is added to Section I – Coverages:****COVERAGE – EMPLOYEE BENEFITS LIABILITY****1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph D. (Section III – Limits Of Insurance); and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

**b. This insurance applies to damages only if:**

- (1) The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";
- (2) The act, error or omission, did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and
- (3) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph c. below, during the policy period or an Extended Reporting Period we provide under Paragraph F. of this endorsement.

**c. A "claim" seeking damages will be deemed to have been made at the earlier of the following times:**

- (1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or

- (2) When we make settlement in accordance with Paragraph **a.** above.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

- d. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

## 2. Exclusions

This insurance does not apply to:

### a. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

### b. Bodily Injury, Property Damage, Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

### c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

### d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

### e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any "claim" based upon:

- (1) Failure of any investment to perform;
- (2) Errors in providing information on past performance of investment vehicles; or
- (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

### f. Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

### g. ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

### h. Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

### i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

### j. Employment-Related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

### B. For the purposes of the coverage provided by this endorsement:

1. All references to Supplementary Payments – Coverages **A** and **B** are replaced by Supplementary Payments – Coverages **A**, **B** and **Employee Benefits Liability**.
2. Paragraphs **1.b.** and **2.** of the Supplementary Payments provision do not apply.

### C. For the purposes of the coverage provided by this endorsement, Paragraphs **2.** and **4.** of **Section II – Who Is An Insured** are replaced by the following:

#### 2. Each of the following is also an insured:

- a. Each of your "employees" who is or was authorized to administer your "employee benefit program".
- b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.



- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.
- 3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However:
  - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
  - b. Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.
- D. For the purposes of the coverage provided by this endorsement, **Section III - Limits Of Insurance** is replaced by the following:

#### 1. Limits Of Insurance

- a. The Limits of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
  - (1) Insureds;
  - (2) "Claims" made or "suits" brought;
  - (3) Persons or organizations making "claims" or bringing "suits";
  - (4) Acts, errors or omissions; or
  - (5) Benefits included in your "employee benefit program".
- b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
- c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:
  - (1) An act, error or omission; or
  - (2) A series of related acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations of the policy to which this endorsement is attached, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance.

#### 2. Deductible

- a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
- b. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
- c. The terms of this insurance, including those with respect to:
  - (1) Our right and duty to defend any "suits" seeking those damages; and
  - (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim"

apply irrespective of the application of the deductible amount.
- d. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.
- E. For the purposes of the coverage provided by this endorsement, Conditions 2. and 4. of **Section IV - Commercial General Liability Conditions** are replaced by the following:
  - 2. **Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"**
    - a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
      - (1) What the act, error or omission was and when it occurred; and

- (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

**b.** If a "claim" is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

**c.** You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.

**d.** No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

**4. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

**a. Primary Insurance**

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

**b. Excess Insurance**

- (1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:
  - (a) No Retroactive Date is shown in the Schedule of this insurance; or
  - (b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.
- (2) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self-insured amounts under all that other insurance.
- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Schedule of this endorsement.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance to the total applicable limits of insurance of all insurers.

- F. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added, or, if this endorsement is attached to a claims-made Coverage Part, replaces any similar Section in that Coverage Part:

#### **EXTENDED REPORTING PERIOD**

1. You will have the right to purchase an Extended Reporting Period, as described below, if:
  - a. This endorsement is canceled or not renewed; or
  - b. We renew or replace this endorsement with insurance that:
    - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
    - (2) Does not apply to an act, error or omission on a claims-made basis.
2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.
3. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a. The "employee benefit programs" insured;
- b. Previous types and amounts of insurance;
- c. Limits of insurance available under this endorsement for future payment of damages; and
- d. Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.

4. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.

Paragraph **D.1.b.** of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph **D.1.c.**

- G. For the purposes of the coverage provided by this endorsement, the following definitions are added to the **Definitions** Section:

1. "Administration" means:

- a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
- b. Handling records in connection with the "employee benefit program"; or
- c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.

2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
3. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.

4. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:
  - a. Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts; provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
  - b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
  - c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
  - d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
  - e. Any other similar benefits designated in the Schedule or added thereto by endorsement.
- H. For the purposes of the coverage provided by this endorsement, Definitions 5. and 18. in the **Definitions** Section are replaced by the following:
  5. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
  18. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:
    - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
    - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

COMMERCIAL GENERAL LIABILITY  
CG 21 06 05 14

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF  
CONFIDENTIAL OR PERSONAL INFORMATION AND  
DATA-RELATED LIABILITY – WITH  
LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion 2.p. of **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

p. **Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

B. The following is added to Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Access Or Disclosure Of Confidential Or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

**COMMERCIAL GENERAL LIABILITY  
CG 21 47 12 07**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.



**COMMERCIAL GENERAL LIABILITY  
CG 21 55 09 99**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TOTAL POLLUTION EXCLUSION  
WITH A HOSTILE FIRE EXCEPTION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

Exclusion f. under Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

**f. Pollution**

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

This exclusion does not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:

- (a) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or

- (b) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants".

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**COMMERCIAL GENERAL LIABILITY  
CG 21 67 12 04**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**FUNGI OR BACTERIA EXCLUSION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

- B. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

- C. The following definition is added to the Definitions Section:**

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

**COMMERCIAL GENERAL LIABILITY  
CG 21 70 01 15**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

- A.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.
- "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
- 1.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  - 2.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

COMMERCIAL GENERAL LIABILITY  
CG 21 76 01 15

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF PUNITIVE DAMAGES  
RELATED TO A CERTIFIED ACT OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**A. The following exclusion is added:**

This insurance does not apply to:

**TERRORISM PUNITIVE DAMAGES**

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

**B. The following definition is added:**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.**

COMMERCIAL GENERAL LIABILITY  
CG 21 96 03 05

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## SILICA OR SILICA-RELATED DUST EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Silica Or Silica-Related Dust**

- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
- b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

- B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Silica Or Silica-Related Dust**

- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
  - b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.
- C. The following definitions are added to the Definitions Section:**
1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
  2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

## CYBER LIABILITY COVERAGE PART

### CLAIMS-MADE WARNING

THIS COVERAGE PART INCLUDES COVERAGES WRITTEN ON A CLAIMS-MADE BASIS UNDER INSURING AGREEMENTS A. AND B. SUBJECT TO ITS TERMS, CLAIMS-MADE COVERAGE APPLIES ONLY TO "CLAIMS" FIRST MADE AGAINST THE "INSURED" DURING THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD. PLEASE READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE AND COVERAGE RESTRICTIONS

### "DEFENSE EXPENSES" WITHIN LIMITS AND DEDUCTIBLE

THE LIMITS OF LIABILITY WILL BE REDUCED AND CAN BE COMPLETELY EXHAUSTED BY THE PAYMENT OF COVERED "DEFENSE EXPENSES". IN THE EVENT THAT THE LIMIT OF LIABILITY IS EXHAUSTED, THE "INSURER" SHALL NOT BE LIABLE FOR "DEFENSE EXPENSES", JUDGMENTS OR SETTLEMENTS IN EXCESS OF THE APPLICABLE LIMIT. INSURING AGREEMENTS A. AND B. ARE SUBJECT TO DEDUCTIBLE AMOUNTS STATED IN THE DECLARATIONS. AMOUNTS INCURRED FOR "DEFENSE EXPENSES" ARE SUBJECT TO THE APPLICABLE DEDUCTIBLE

Words and phrases that appear in quotation marks have special meaning. Refer to **SECTION IX – DEFINITIONS**.

### SECTION I – INSURING AGREEMENTS

#### A. Privacy and Security Liability

The "insurer" will pay on behalf of the "insured", "loss" which the "insured" is legally obligated to pay due to a "claim" first made against the "insured" during the "policy period", or Extended Reporting Period if applicable, and which arises out of a "Privacy Breach" or a "Security Breach" to which this insurance applies.

#### B. Cyber Media Liability

The "insurer" will pay on behalf of the "insured", "loss" which the "insured" is legally obligated to pay due to a "claim" first made against the "insured" during the "policy period", or Extended Reporting Period if applicable, and which arises out of a "Cyber Media Breach" to which this insurance applies.

With respect to **Insuring Agreements A. and B.** above, this insurance applies to "Privacy Breach", "Security Breach" or "Cyber Media Breach" only if the "Privacy Breach", "Security Breach" or "Cyber Media Breach" did not occur before the Retroactive Date shown in the Cyber Declarations or after the end of the "policy period". The Retroactive Date is the specific date shown in **Item 4.** of the Cyber Declarations. If 'none' or no date is entered, the Retroactive Date will be the same as the policy inception date shown in **Item 2.** of the Cyber Declarations.

### SECTION II – EXCLUSIONS

This insurance does not apply to any "loss" or "claim":

#### A. Prior Notice

Based upon, arising out of or in any way related to any "Security Breach", "Privacy Breach", "Cyber Media Breach", investigation, proceeding, act, event, transaction, decision, fact, circumstance or situation which has been the subject of any notice

given to any other insurer, under any similar prior Policy or Coverage Part of which this Policy or Coverage Part is a direct or indirect renewal or replacement.

#### B. Past Events

Based upon, arising out of or in any way related to any "Security Breach", "Privacy Breach", "Cyber Media Breach", investigation, proceeding, act, event, result, damage, transaction, decision, fact, circumstance or situation which occurred, in whole or in part, prior:

1. To the applicable Retroactive Date set forth in **Item 4.** of the Cyber Declarations; or
2. To the date an entity became a "subsidiary".

#### C. Bodily Injury or Property Damage

For the physical injury to or destruction of any tangible property, including loss of use of that property and loss of use of property that is not physically damaged; or for bodily injury, mental anguish, humiliation, emotional distress, disability, sickness, disease, death, assault or battery sustained by any individual, however this Exclusion shall not apply to "loss" due to a "claim" for any mental anguish, humiliation or emotional distress resulting from a "Privacy Breach" or "Cyber Media Breach".

#### D. Conduct

Based upon, arising out of or in any way related to any dishonest or fraudulent act or omission, or a willful violation of any statute or regulation. However, this Exclusion shall not apply to "defense expenses" unless and until a final or non-appealable judgment or adjudication in any underlying proceeding or action establishes such an act or omission or violation.



No conduct pertaining to any "insured individual" shall be imputed to any other "insured individual" for the purpose of determining the applicability of this exclusion. Any conduct pertaining to any past, present or future "executive" of an "insured entity" shall be imputed to such "insured entity" and its "subsidiaries".

#### **E. Contract**

Based upon, arising out of or in any way related to liability assumed through any oral or written contract or agreement to which an "insured" is a party; however, this Exclusion shall not apply to a "Security Breach" or "Privacy Breach".

#### **F. Pollution**

Based upon, arising out of or in any way related to:

The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

1. "Loss", cost or expense arising out of any request, demand, order or statutory or regulatory requirement that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants"; or
2. Any regulation, direction, request or order by or on behalf of a governmental authority to test for, monitor, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

#### **G. Nuclear**

Based upon, arising out of or in any way related to the radioactive, toxic, or explosive properties of nuclear material which includes, but is not limited to, Source Material, Special Nuclear Material and Byproduct Material as those terms are defined in the Atomic Energy Act of 1954 and any amendments thereto, and any similar provisions of any federal, state or local statutory or common law.

#### **H. Intentional or Willful Complicity**

Based upon, arising out of or in any way related to the "insured's" intentional or willful complicity in a covered "loss" event.

#### **I. Prior & Pending Proceedings**

Based upon, arising out of or in any way related to any litigation, administrative or arbitration proceeding, written demand pending against an "insured", or any order, decree or judgment entered prior to or on the Prior & Pending Proceedings Date set forth in the Cyber Declarations.

#### **J. Patent Infringement & Trade Secrets**

Based upon, arising out of or in any way related to any infringement of a patent or trade secret.

#### **K. Intellectual Property**

For a "Cyber Media Breach" that is based upon, arising out of or in any way related to any:

- a. Distribution or sale of, or offer to distribute or sell, any good, product or service; or
- b. Other use of any good, product or service that infringes or violates an intellectual property law or right.

#### **L. Websites**

Based upon, arising out of or in any way related to:

- a. Controlling, creating, designing, or developing any third party's Website;
- b. Controlling, creating, designing, developing, determining, or providing the content or material of any third party's Website; or
- c. Controlling, facilitating, or providing, or failing to control, facilitate, or provide, access to the internet.

#### **M. Antitrust**

Based upon, arising out of or in any way related to actual or alleged price fixing, price discrimination, restraint of trade, unfair business practices, monopolistic practices or any actual or alleged violations of the Sherman Antitrust Act of 1890 or the Clayton Act of 1914, and any amendments thereto, the Robinson-Patman Act of 1938, the Federal Trade Commission Act of 1914 or any rules or regulations promulgated in connection with such statutes, or any similar provisions of any federal, state or local statutory law or common law anywhere in the world. However, this Exclusion shall not apply to "loss" for a "claim" arising out of a "Privacy Breach".

#### **N. ERISA**

For any actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the English Pension Scheme Act 1993 or the English Pensions Act 1995, all as amended, or any similar statutory or common law anywhere in the world including rules or regulations promulgated thereunder.

#### **O. "Insured" vs. "Insured"**

Brought by or on behalf of a natural person who is a director, chairperson, or "executive" of any "insured entity" or who holds a similar title or position within any "insured entity".

#### **P. Software & Computer Code**

Based upon, arising out of or in any way related to any infringement of, violation of, or assertion of,

any right to or interest in any software or its source content or material; "computer" code or its source content or material or expression method; or process designed to control or facilitate any operation or other use of a "computer" or automated "system".

#### Q. Warranty

Based upon, arising out of or in any way related to the failure of goods, products, or "services" to conform with any electronic, oral, written, or other representation or warranty with respect to durability, fitness, performance, quality or use.

### SECTION III – DEFENSE AND SETTLEMENT OF "CLAIMS"

- A. The "insurer" shall have the right and duty to defend any "claim" covered by this Coverage Part even if the allegation of such "claim" is groundless, false or fraudulent. The "insurer" has no duty to defend any "claim" or pay "defense expenses" for "claims" to which this insurance does not apply. The right and duty to defend any "claim" covered under this Coverage Part shall cease when the applicable Limit of Liability for the Privacy and Security Liability or the Cyber Media Liability Insuring Agreements, or the Maximum Aggregate Limit of Liability on the Cyber Declarations has been exhausted by the payment of "loss".
- B. The "insured" shall provide all information in connection with any "claim" and cooperate with the "insurer" in the investigation, defense and settlement of any "claim".
- C. No "insured" shall settle any "claim", voluntarily make any payment, assume any obligation, or incur any "defense expense" related to a "claim" without the "insurer's" consent.
- D. The "insurer" may conduct any investigation it deems necessary and settle any "claim" subject to the "named insured's" written consent to settle which shall not be unreasonably withheld. If any "insured" refuses to consent to the settlement of any "claim" which the "insurer" recommends and which is acceptable to the claimant, subject to the applicable Limit of Liability or Deductible, the "insurer's" liability for all "loss" from such "claim" shall not exceed the amount the "insurer" would have contributed to the settlement including "defense expenses" incurred up to the date of such refusal.
- E. The "insurer" shall not seek repayment from an "insured individual" of any "defense expenses" paid by the "insurer" that are deemed uninsured pursuant to **SECTION II – EXCLUSIONS Paragraph D. Conduct**, unless the applicable determination standard set forth in such Exclusion has been met.

- F. If the "insurer" is prevented by law or otherwise unable to defend or investigate a "claim" brought outside the United States, the "insured" under the "insurer's" supervision may arrange for the investigation, appointment of counsel and defense of such "claim". Subject to the applicable Limit of Liability and Deductible, the "insurer" will reimburse the "insured" for any reasonable and necessary "defense expenses" for such "claim".

### SECTION IV – LIMIT OF LIABILITY

Regardless of the number of "insureds", "claims", or claimants the "insurer's" liability under this Coverage Part is limited as follows:

- A. The Maximum Aggregate Limit of Liability shown in **Item 3.** of the Cyber Declarations is the most the "insurer" will pay under this Coverage Part during the "policy period" for the total of all "loss" arising from "claims" or "related claims" to which the insurance applies.
- B. Subject to the Maximum Aggregate Limit, the Limit of Liability shown in **Item 4.** of the Cyber Declarations for **Insuring Agreement A. Privacy and Security Liability** is the most the "insurer" will pay for "loss" due to "claims" or "related claims" arising out of a "Privacy Breach" or a "Security Breach" to which the insurance applies.
- C. Subject to the Maximum Aggregate Limit, the Limit of Liability shown in **Item 4.** of the Cyber Declarations for **Insuring Agreement B. Cyber Media Liability** is the most the "insurer" will pay for "loss" due to "claims" or "related claims" arising out of a "Cyber Media Breach" to which the insurance applies.
- D. If a "claim" or "related claim" is covered by more than one Insuring Agreement under this Policy or Coverage Part, then the maximum amount payable under all Insuring Agreements combined shall not exceed the largest applicable Limit of Liability.
- E. The Limit of Liability for any Extended Reporting Period, if applicable, shall be part of and not in addition to the Maximum Aggregate Limit of Liability shown in **Item 3.** of the Cyber Declarations.

### SECTION V – DEDUCTIBLE

- A. The "insurer's" liability under this Coverage Part applies only to that part of covered "loss" which is in excess of the applicable Deductible stated in **Item 4.** of the Cyber Declarations.
- B. In the event that different parts of a "claim" or "related claim" are covered under more than one Insuring Agreement, only the largest applicable Deductible amount will be applied.
- C. "Claims" or "related claims" are subject to the Deductibles applicable to the "policy period" during

which such "claims" or "related claims" are deemed to have been made.

- D. The "insurer" may, at its sole discretion, pay all or part of the Deductible amount on behalf of the "insured". In such an event, the "insured" agrees to repay the "insurer" any amount so paid.

## SECTION VI – REPORTING

- A. An "insured" shall provide the "insurer" with written notice as soon as practicable after an "executive", chief information officer or any person with responsibility for the management of insurance "claims", or any equivalent position within the "insured entity" becomes aware of a "claim", but in no event later than:

1. Ninety (90) days after the effective date of expiration or termination; or
2. The expiration date of the Extended Reporting Period, if applicable.

However, if the "insurer" sends written notice to the "named insured" stating that this Policy is being terminated for nonpayment of premium, an "insured" shall give the "insurer" written notice of such "claim" prior to the effective date of such termination.

- B. If during the "policy period", or during an applicable Extended Reporting Period, an "insured" becomes aware of an act or circumstances that may subsequently give rise to a "claim" and gives the "insurer" notice of such act or circumstances, then any "claim" subsequently arising from such act or circumstances shall be deemed made against the "insured" during the "policy period" in which the act or circumstances were first reported to the "insurer" provided that any such subsequent "claim" is reported to the "insurer" in accordance with paragraph A. above.
- C. An "insured" must give to the "insurer" the assistance, information and cooperation as the "insurer" may require and shall include in any notice of a "claim", act or circumstances of a potential "claim", a description of the "claim", act or circumstances, the nature of the alleged "Security Breach", "Privacy Breach" or "Cyber Media Breach", the nature and amount of alleged or potential damage, the names of actual or potential claimants, and the manner in which the "insured" first became aware of the "claim", circumstances or alleged "Privacy Breach", "Security Breach" or "Cyber Media Breach".

## SECTION VII – CONDITIONS

### A. Representations and Severability

1. No statement, fact pertaining to, or knowledge possessed by any "insured individual" shall be imputed to any other "insured individual".

2. By accepting this policy, the "named insured" agrees that:

- a. The statements in the Application and Cyber Declarations are accurate and complete;
- b. Those statements are based on representations the "named insured" made to the "insurer"; and
- c. The "insurer" has issued this policy in reliance upon these representations.

The unintentional failure to disclose all hazards existing as of the inception date of the policy will not prejudice the "named insured's" rights under this policy. However, this provision does not affect the "insurer's" right to collect additional premium or exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws and regulations.

### B. Spouses, Domestic Partners, Estates and Legal Representatives

Solely with respect to the **Insuring Agreements A. Privacy and Security Liability** and **B. Cyber Media Liability**, coverage shall extend to:

1. A lawful spouse or domestic partner, as defined under any applicable federal, state or local law, of an "insured individual" solely by reason of such person's status as spouse or domestic partner or such person's ownership interest in property which the claimant seeks as recovery from an "insured individual";
2. The estate, heirs, legal representatives or assigns of an "insured individual" if such "insured individual" is deceased, legally incompetent, insolvent or bankrupt.

Coverage shall not apply to "loss" or "claims" for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by an "insured individual's" spouse, domestic partner, heir, estate, legal representative or assigns.

### C. Legal Proceedings Against Us

1. No individual or entity has a right under this Coverage Part to join the "insurer" as a party or otherwise bring the "insurer" into a suit asking for damages from an "insured" or to sue the "insurer" on this Coverage Part unless all of its terms have been fully complied with.
2. An individual or entity may sue the "insurer" to recover on an agreed settlement or on a final judgment against an "insured" but the "insurer" will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable Limit of Liability. An agreed

settlement means a settlement and release of liability signed by the "insurer", the "insured" and the claimant or the claimant's legal representative.

#### **D. Change In Control or Exposure**

##### **1. Acquisition of the "Named Insured"**

If during the "policy period":

- a. Another individual, entity or group of individuals or entities acquires more than fifty percent (50%) of the assets of the "named insured"; or
- b. Another individual, entity or group of individuals or entities acquires more than fifty percent (50%) of the outstanding securities representing the right to vote for the election of directors, trustees, members of the Board of Managers or management committee members of the "named insured"; or
- c. The "named insured" consolidates or merges with another entity and the "named insured" is not the surviving entity; or
- d. The "named insured" emerges from bankruptcy on an effective date stated in the plan of reorganization; then the coverage provided under this Coverage Part shall continue until the termination or expiration of the "policy period", but only for "claims" for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty which occurs prior to the transaction date of such event.

The "named insured" shall notify the "insurer" of any such event described in paragraphs 1.a. thru 1.d. above as soon as practicable but no later than sixty (60) days after the effective date of the transaction, and provide such additional information as the "insurer" requires.

##### **2. Cessation of "Subsidiaries"**

If before or during the "policy period" an "insured entity" ceases to be a "subsidiary" then coverage for such "subsidiary" and its "insureds" shall continue under all Insuring Agreements until termination or expiration of this "policy period" but only for "claims" for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty that takes place prior to the date such entity ceased to be a "subsidiary".

##### **3. Acquisition of Another Organization**

If before or during the "policy period" the "insured entity" acquires the voting rights of another entity such that the acquired entity

becomes a "subsidiary", then coverage for such "subsidiary" and its "insureds" shall be provided but only for "claims" for any "Privacy Breach", "Security Breach" or "Cyber Media Breach" that takes place after the date such entity became a "subsidiary".

If during the "policy period" the "insured entity" acquires another entity and at the time of such acquisition the entity becomes a "subsidiary" (or would have but for its absorption into the "insured") and the total revenue of the acquired entity exceeded twenty five percent (25%) of the "insured entity" as of the beginning of the "policy period", then the "named insured" shall agree to any amendments to the terms of this Coverage Part, including, but not limited to, any additional premium the "insurer" may require.

#### **E. Subrogation**

If the "insured" has rights to recover all or part of any payment the "insurer" has made under this Coverage Part, those rights are transferred to the "insurer". The "insured" must do nothing after "loss" to impair them. At the request of the "insurer", the "insured" will bring suit or transfer those rights to the "insurer" and help the "insurer" enforce them.

#### **F. Other Insurance**

If other valid and collectible insurance (other than a Policy or Coverage Part issued specifically as excess of this Coverage Part) is available to the "insured" for "loss" covered under this Coverage Part, then the insurance provided by this Coverage Part shall be excess of such other insurance regardless of whether or not such insurance is primary, contributory, excess, contingent or on any other basis.

When this insurance is excess, the "insurer" will have no duty to investigate or defend any "claim" if any other insurer has a duty to defend the "insured" against that "claim". If no other insurer defends, the "insurer" will undertake to do so, but the "insurer" will be entitled to the "insured's" rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the "loss", if any, that exceeds the sum of:

1. The total amount that all such other insurance would pay for the "loss" in the absence of this insurance; and
2. The total of all deductible and self-insured amounts under all that other insurance.



**G. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the "loss" remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**H. Territory**

Coverage applies anywhere in the world, provided that no trade or economic sanction, embargo, insurance or other laws or regulations prohibit the "insurer" from covering the "loss". However, any "claim" made must be brought and held against the "insured" in the United States of America, its territories or possessions, Puerto Rico or Canada.

**I. Cancellation And Non-Renewal**

With regard to the cancellation and non-renewal of this policy, the provisions outlined in the Commercial General Liability Coverage Part and the Common Policy Conditions or the Businessowners Coverage Part, whichever are included in the policy, shall apply and will automatically include the non-renewal or cancellation of this coverage form. You agree that no further notice regarding termination of this Coverage Form will be required.

For the purposes of the Cancellation and Nonrenewal provisions, the words "you" and "your" refer to the "Named Insured" shown in the Declarations, and any other person or organization qualifying as a "Named Insured" under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

**J. Bankruptcy**

Bankruptcy of an "insured" shall not relieve the "insurer" of its obligations under this Coverage Part.

**K. Role of Named "Insured"**

By accepting this Coverage Part, the "named insured" agrees that it is authorized to, and will act on behalf of all "insureds" with respect to any rights provided under this Coverage Part and each "insured" authorizes the "named insured" to act on its behalf with respect to all such matters.

**L. Titles and Headings**

The titles and headings in this Coverage Part are solely for convenience and form no part of the terms and conditions of coverage.

**M. Conformance to Law and Trade Sanctions**

Coverage under this Coverage Part does not apply to the extent trade, economic sanction, insurance or other laws or regulations prohibit the "insurer" from providing insurance. The terms of this Coverage Part which are in conflict with the statutes of the jurisdiction in which this Coverage Part is issued are amended to conform to those statutes.

**N. Two or More Coverage Parts, Forms, Endorsements or Policies Issued By The "Insurer"**

It is the "insurer's" stated intent that the various coverage parts, forms, endorsements or policies issued to the "named insured" by the "insurer" or any company affiliated with the "insurer"; do not provide any duplication or overlap of coverage for the same "claim" or "loss". If this coverage part and any other coverage part, form, endorsement or policy issued to the "named insured" by the "insurer", or any company affiliated with the "insurer", apply to the same "claim" or "loss"; the maximum Limit of Liability under all such coverage parts, forms, endorsements or policies combined shall not exceed the highest applicable Limit of Liability under any one coverage part, form, endorsement or policy.

This condition does not apply to any Excess or Umbrella Policy issued by the "insurer" specifically to apply as excess insurance over this policy or Coverage Part.

**O. Due Diligence**

The "named insured" agrees to use due diligence to prevent and mitigate "loss" covered under this Coverage Part. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for providing and maintaining the following:

1. Physical security for the "named insured's" premises, "computer" "systems" and hard copy files;
2. "Computer" and Internet security;
3. Periodic backups of "computer" "data";
4. Protection, including but not limited to, encryption of "data", for transactions such as processing credit card, debit card and check payments; and
5. Disposal of files containing "private personal data", including but not limited to shredding hard copy files and destroying physical "media" used to store electronic "data".

## SECTION VIII – EXTENDED REPORTING PERIODS

A. The “insurer” will provide one or more Extended Reporting Periods, as described below, if:

1. This Coverage Part is canceled or not renewed; or
2. The “insurer” renews or replaces this Coverage Part with insurance that:
  - a. Has a Retroactive Date later than the date shown in **Item 4.** of the Cyber Declarations; or
  - b. Does not apply to “loss” arising out of a “Privacy Breach”, “Security Breach” or “Cyber Media Breach” on a claims-made basis.

The “named insured” agrees that in the event of a “claim” made during an Extended Reporting Period, they will do nothing that could prejudice the position of the “insurer” or any potential or actual rights of recovery, subrogation, or contribution.

B. Extended Reporting Periods do not extend the “policy period” or change the scope of the coverage provided. They apply only to “claims” because of “loss” arising out of a “Privacy Breach”, “Security Breach” or “Cyber Media Breach” occurring prior to the end of the “policy period” but not before the retroactive date.

Once in effect, Extended Reporting Periods may not be canceled.

C. If the “insurer” cancels or does not renew this Coverage Part for any reason other than nonpayment of premium, an Automatic Extended Reporting Period will be provided without an additional premium. This period starts with the end of the “policy period” and lasts for 60 days with respect to “claims” because of “loss” arising out of a “Privacy Breach”, “Security Breach” or “Cyber Media Breach” occurring prior to the end of the “policy period” but not before the retroactive date, and not previously reported to the “insurer”.

1. This Automatic Extended Reporting Period does not apply to “claims” that are covered under any subsequent insurance the “named insured” purchases, or that would be covered but for exhaustion of the amount of insurance applicable to such “claims”.
2. The Automatic Extended Reporting Period does not reinstate or increase the Limits of Insurance.

D. If this Coverage Part is cancelled or not renewed, the “named insured” shall have the right, upon payment of an additional premium, to an Optional Extended Reporting Period. This period starts with the end of the “policy period” with respect to “claims” because of “loss” arising out of a “Privacy

Breach”, “Security Breach” or “Cyber Media Breach” occurring prior to the end of the “policy period” but not before the retroactive date, and not previously reported to the “insurer”.

1. This Optional Extended Reporting Period does not apply to “claims” that are covered under any subsequent insurance the “named insured” purchases, or that would be covered but for exhaustion of the amount of insurance applicable to such “claims”.
2. The Optional Extended Reporting Period does not reinstate or increase the Limits of Insurance.
3. The “named insured” must give the “insurer” a written request for the Optional Extended Reporting Period endorsement within 60 days following the date of cancellation or nonrenewal. The Optional Extended Reporting Period will not go into effect unless the “named insured” pays the additional premium promptly when due. If the cancellation or nonrenewal is for nonpayment of premium, this Optional Extended Reporting Period will not be provided unless any earned premium due is paid within 60 days after the effective date of such cancellation or expiration.
4. The available Optional Extended Reporting Periods and associated additional premiums are displayed in the table below.

Optional Reporting Period	Percent of Annual Premium
One Year	100%
Two Years	150%
Three Years	200%

E. In the event similar insurance is in force covering “claims” first made during Extended Reporting Period, coverage provided by this Coverage Part shall be excess over any part of any other valid and collectible insurance available to the “insured”, whether primary, excess, contingent or on any other basis, whose “policy period” begins or continues after this “policy period” ends.

## SECTION IX – DEFINITIONS

A. “**Breach Notice Law**” means any federal, state, local or foreign privacy legislation, regulation and their functional equivalent that requires an entity to provide notice to affected natural persons of any actual or potential unauthorized access to their “private personal data”.

B. “**Claim**” means:

1. A written demand received by an “insured” for monetary damages or non-monetary relief including injunctive relief;



2. Any complaint or similar pleading initiating a judicial, civil, or administrative proceeding;
  3. An alternative dispute or arbitration proceeding to which an "insured" is provided notice and which subjects an "insured" to a binding adjudication for monetary or non-monetary relief; against an "insured" for a "Security Breach", "Privacy Breach" or "Cyber Media Breach", including any appeal therefrom.
  4. A written request first received by an "insured" to toll or waive a statute of limitations relating to a potential "claim" described in paragraphs 1. through 3. above.
- C. "Computer"** means a device or group of hardware devices on which software, applications, script, code and "computer" programs containing "data" can be operated and viewed.
- D. "Cyber Attack"** means the transmission of fraudulent or unauthorized "data" that is intended to and successfully modifies, alters, damages, destroys, deletes, records, transmits, or consumes information within a "system" without authorization, including "data" that is self-replicating or self-propagating, and which causes the disruption of the normal operation of a "system".
- E. "Cyber Content"** means the electronic display, electronic transmission, or electronic dissemination of information through a "network" or through an insured's "system", including through email and an "insured entity's" internet website(s).
- F. "Cyber Media Breach"** means the alleged or actual unintentional and unauthorized:
1. Infringement of a collective mark, service mark, service name, trademark, trade dress, domain name, commercial logo, commercial slogan, commercial symbol, commercial title, copyright, name of a product, service or entity, or title of an artistic or literary work;
  2. Plagiarism or unauthorized use of protected literary or artistic work, format, character or performance;
  3. Invasion or interference with the right of publicity including name, persona, voice or likeness;
  4. Defamation, libel, slander, trade libel, false light or other tort directly arising from the disparagement of or harm to the reputation or character of any person or entity;
- resulting directly from "cyber content" of the "insured entity".
- G. "Data"** means a representation of information, knowledge, facts, concepts or instructions which are being processed or have been processed in a "computer".
- H. "Defense Expenses"** means the reasonable and necessary legal fees and expenses including attorney fees and expert fees incurred by the "insurer" or the "insured" (other than regular or overtime wages, salaries, fees or benefits of "insured individuals") in the investigation, defense, settlement and appeal of a "claim", including but not limited to cost of consultants and witnesses, premiums for appeal, injunction, attachment or supersedes bonds regarding such "claim".
- I. "Executive"** means an "insured entity's" Chief Executive Officer, Chief Financial Officer, President and In-House General Counsel.
- J. "Insured"** means the "named insured", any "subsidiary" and any "insured individual".
- K. "Insured Individual"** means any natural person who is:
1. A duly elected past, present or future director, officer, trustee, manager, in-house general counsel, committee member of a duly constituted committee; or
  2. A past, present or future employee (other than an independent contractor) including any part-time, seasonal, leased and temporary employees, and volunteers;
- including equivalent positions anywhere in the world, but only while such person is acting within the scope of his or her duties as such.
- L. "Insured Entity"** means the "named insured" and any "subsidiary".
- M. "Insurer"** means the company providing this insurance as designated in the Cyber Declarations.
- N. "Liquidated Damages"** means a sum of money stipulated by the parties to a contract as the amount of damages to be recovered for a breach of such contract.
- O. "Loss"** means "defense expenses" and the amount the "insured" is legally obligated to pay as a result of a "claim" including:
1. Monetary judgments, awards or settlements, pre-judgment interest and post-judgment interest and compensatory damages;
  2. Punitive or exemplary damages or the multiple portion of any multiplied damage award if insurable under the law of the jurisdiction most favorable to the insurability of such damages where such jurisdiction has a substantial relationship to the "insured", the "insurer", or to the "claim" giving rise to such damages; or
  3. Civil fines or penalties assessed against an "insured individual" if, and to the extent, such

finances or penalties are insurable under the law of the jurisdiction in which such fines and penalties are assessed.

However, "loss" does not include:

4. The cost or expense incurred to replace, upgrade, update, improve, remediate or maintain a "system";
5. Any amount deemed uninsurable by law;
6. Taxes;
7. Any amount incurred by an "insured" in the defense or investigation of any action, proceeding or demand that was not a "claim" even if such amount also benefits the defense of a covered "claim" or such action, proceeding or demand that subsequently gives rise to a "claim";
8. Return of fees, charges, commissions or other compensation paid to an "insured";
9. The cost or expense incurred to perform any obligation assumed by, on behalf of, or with the consent of any "insured";
10. The cost of compliance with any order for, grant of or agreement to provide non-monetary relief, including injunctive relief; or
11. "Liquidated Damages".

**P. "Media"** means electronic applications, software, scripts and programs on which "data" is stored so that it can be collected, read, retrieved or processed by a "computer". "Media" does not mean paper, or other tangible property, money, debt, equity, instruments, accounts, bonds, bills, records, abstracts, deeds or manuscripts.

**Q. "Named Insured"** means the entity designated in **Item 1.** of the Cyber Declarations.

**R. "Network"** means any "services" provided by or through the facilities of any electronic or "computer" communication "system", allowing the input, output, examination, visualization or transfer of "data" or programs from one "computer" to an "insured entity's" "computer". "Network" includes any shared "networks", Internet access facilities, or other similar facilities for such "systems", in which an "insured" participates

**S. "Pollutant"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**T. "Policy Period"** means the period of time from the inception date shown in **Item 2.** of the Cyber Declarations to the earlier of the expiration date shown in **Item 2.** of the Cyber Declarations or the effective date of termination of this Policy or Coverage Part.

**U. "Potentially-Identified Person"** means any person who is the "named insured's" current, former or prospective customer, employee, client, member, or patient and whose "private personal data" is lost, stolen, accidentally released or accidentally published by a "privacy breach", "security breach", "cyber media breach" covered under this Coverage Part.

This definition is subject to the following provisions:

1. "Potentially-identified person" does not include any business or organization. Only an individual person may be a "potentially-identified person".
2. A "potentially-identified person" must have a direct relationship with the "named insured". The following are examples of individuals who do not meet this requirement:
  - a. If the "named insured" aggregates or sells information about individuals as part of the "named insured's" business, "potentially-identified persons" do not include the individuals about whom the "named insured" keeps such information.
  - b. If the "named insured" stores, processes, transmits or transports records, "potentially-identified persons" do not include the individuals whose "private personal data" the "named insured" is storing, processing, transmitting or transporting for another entity.

The above examples are not meant to be all inclusive but are provided as a way to identify those not meeting the requirements of this definition.

**V. "Privacy Breach"** means:

1. The "insured entity's" failure to protect "private personal data" including a "Cyber Attack" on the "insured's entity's" "system" or the actions of a "rogue employee" which directly results in the unauthorized disclosure of "private personal data";
2. The theft or negligent loss of hardware, "media", "system output", "data" or other documents owned or controlled by, or on behalf of, an "insured entity" on which "private personal data" is stored or recorded;
3. The "insured's" negligent failure to disclose an event referenced in **1.** or **2.** above in violation of any "breach notice law"; or
4. The "insured's" negligent violation of any applicable federal, state, foreign or local privacy legislation or regulation in connection with any "claim".

**W. “Private Personal Data”** means a natural person’s first name or first initial and last name in combination with:

- a. Non-public personally identifiable information, as defined in applicable federal, state, local or foreign legislation or regulations including, social security number, driver’s license number or other personal identification number (including an employee identification number or student identification number);
- b. Financial account number (including a bank account number, retirement account number or healthcare spending account number);
- c. Credit, debit or payment card numbers;
- d. Information related to employment by an “insured”;
- e. Individually identifiable information considered nonpublic personal information pursuant to Title V of the Gramm-Leach Bliley Act of 1999, as amended; or
- f. Individually identifiable information considered protected health information pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended;

which is intended to be accessible only by natural persons or entities an “insured” has specifically authorized to have such access.

“Private personal data” does not mean or include information that is otherwise available to the public, such as names and addresses with no correlated Social Security numbers or account numbers.

**X. “Related Claims”** means all “claims” based upon, arising from or in any way related to the same facts, circumstances, situations, transactions, results, damages or events or the same series of facts, circumstances, situations, transactions, results, damage or events.

**Y. “Rogue Employee”** means a permanent employee of an “insured entity”, other than an “executive”, who has gained unauthorized access or has exceeded authorized access to a “system” or “private personal data” owned or controlled by an “insured entity” or an entity that is authorized by an “insured” to hold, process or store “private personal data” for the exclusive benefit of the “insured entity”.

**Z. “Security Breach”** means:

1. The failure or violation of the security of the “insured entity’s” “system” including the impairment or denial of access to the “insured

entity’s” “system”, a “Cyber Attack” or unauthorized acts or omissions by a “rogue employee” which damages or harms the “insured entity’s” “system” or the “system” of a third party for whom the “insured entity” provides “services” for a fee;

2. The theft or loss of hardware or “media” controlled by, or on behalf of, an “insured entity” on which “data” is stored; or
3. The failure to disclose an event in 1. or 2. above which violates any “breach notice law”.

**AA. “Services”** means “computer” time, “data” processing, storage functions or other uses of an “insured’s” “system”.

**BB. “Subsidiary”** means:

1. Any entity in which an “insured entity” owns more than fifty percent (50%) of the outstanding securities representing the right to vote for election of or to appoint directors, trustees, managers, member of the Board of Managers or equivalent positions of such entity are owned or controlled by the “named insured”, directly or through one or more “subsidiaries”; or
2. Any entity while:
  - a. Exactly fifty percent (50%) of the securities representing the right to vote for election of or to appoint directors, trustees, managers, members of the Board of Managers, or equivalent positions of such entity are owned, or controlled by the “named insured”, directly or through one or more “subsidiaries”; and
  - b. The “named insured”, pursuant to a written contract with the owners of the remaining and outstanding voting stock of such entity, solely controls the management and operation of such entity; or
3. Any foundation or charitable trust while such entity is controlled by the “named insured”.

Coverage shall apply to a “subsidiary” only during the time it qualifies as a “subsidiary”.

**CC. “System”** means a “computer”, “media” and all input, output, processing storage and communication devices controlled, supervised or accessed by the operation software that is proprietary to, or licensed to, the owner of the “computer”.

**DD. “System Output”** means a tangible substance on which “private personal data” is printed from a “System”.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ILLINOIS AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

### CYBER LIABILITY COVERAGE PART

**A. SECTION VII – CONDITIONS**, Paragraph **I.** is replaced by the following:

#### **I. Cancellation And Non-Renewal**

1. If we decide to cancel this Coverage Part in the first 60 days, we will mail:

- a. 10 days' written notice of cancellation for nonpayment of premium; or
- b. 30 days' written notice of cancellation for any other reason.

If this Coverage Part has been in effect for 60 days or more or is a renewal of a Coverage Part we issued, then we will mail:

- c. 10 days' written notice of cancellation for nonpayment of premium; or
- d. 60 days' written notice of cancellation for one or more of the following reasons:

- (1) The Coverage Part was obtained through a material representation;
- (2) Any insured violated any of the terms and conditions of the policy;
- (3) The risk originally accepted has measurably increased;
- (4) Certification is provided to the Director of Insurance in Illinois of the loss of reinsurance by us which provided coverage to us for a substantial part of the underlying risk insured; or
- (5) A determination is made by the Director of Insurance in Illinois that the continuation of the policy could place us in violation of the insurance laws of Illinois.

Cancellation notices will state the reason for cancellation and will be mailed to the "named insured" and the agent or broker of record at the last addresses known to us. We will maintain proof of mailing on a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office or other commercial mail delivery service.

- 2. If we decide not to renew this Coverage Part, we will mail or deliver written notice not less than 60 days before the expiration date to the "named insured" shown in the Declarations and to the agent or broker of record at the last addresses known to us. Notice will provide an explanation of the reason for nonrenewal. We will maintain proof of mailing on a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office or other commercial mail delivery service.

For the purposes of the Cancellation and Nonrenewal provisions, the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this Coverage Part. The words "we", "us" and "our" refer to the company providing this insurance.

**B. The following is added to SECTION VIII – EXTENDED REPORTING PERIODS**, Paragraph **D.4.**:

The percentage in the table will be applied to the expiring annual premium.

- C. Wherever the term spouse appears in this Coverage Part or in any endorsement thereto, it shall include a party to a civil union.**

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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Page 1 of 3

This endorsement changes  
the policy  
-- PLEASE READ THIS CAREFULLY --

## AMENDATORY ENDORSEMENT ILLINOIS

1. The following applies only to property policies issued to cover one-to-four family residential real or personal property:

Under Common Policy Conditions, Cancellation is deleted and replaced by the following:

**Cancellation** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel this policy by mailing "our" written notice of cancellation to "you" and any mortgagee or lienholder at the last mailing address known to "us". "Our" notice will include the reason or reasons for cancellation. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record. Proof of mailing is sufficient proof of notice.

If this policy has been in effect for 60 days or less, "we" may cancel for any reason.

If this policy has been in effect more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel if one or more of the following reasons apply:

- a. the premium has not been paid when due;
- b. the policy was obtained by misrepresentation or fraud; or
- c. there has been an act that measurably increases the risk originally accepted.

If "we" cancel for nonpayment of premium, "we" will mail the cancellation notice at least ten days before the effective date of cancellation.

If "we" cancel for any reason other than nonpayment of premium, "we" will mail the cancellation notice at least 30 days before the effective date of cancellation.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

2. The following applies only to property policies issued to cover real property other than one-to-four family residential property:

Under Common Policy Conditions, Cancellation is deleted and replaced by the following:

### **Cancellation**

- a. "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.
- b. "We" may cancel this policy by mailing "our" written notice of cancellation to "you" and any mortgagee or lienholder at the last mailing address known to "us". "Our" notice will include the reason or reasons for cancellation. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record. Proof of mailing is sufficient proof of notice.
- c. "We" may cancel this policy at any time during the policy period if the premium has not been paid. "We" will mail the cancellation notice at least ten days before the effective date of cancellation.



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- d. "We" may cancel this policy at any time during the policy period, if the insured property consists of one or more buildings:
- 1) to which, following a fire loss, permanent repairs have not commenced within 60 days after satisfactory adjustment of loss, unless such delay is a direct result of a labor dispute or weather conditions;
  - 2) that have been unoccupied for 60 consecutive days, except buildings which have a seasonal occupancy and buildings which are undergoing construction, repair, or reconstruction and are properly secured against unauthorized entry;
  - 3) for which, because of their physical condition, there is an outstanding demolition order, or which have been declared unsafe in accordance with applicable law; or
  - 4) to which heat, water, sewer service, or public lighting have not been connected for 30 consecutive days or more.

If "we" cancel this policy for reasons listed under d.1) through d.4) above, cancellation will be effective ten days after "you" and any mortgagee or lienholder have received "our" notice. The notice of cancellation will be sent by regular mail and certified mail, and "your" return premium, if any, will be calculated on a pro rata basis.

- e. If this policy has been in effect for 60 days or less, "we" may cancel for any reason. "We" will mail the cancellation notice at least 30 days before the effective date of cancellation for cancellation other than described in c. or d. above.
- f. If this policy has been in effect more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel if one or more of the following reasons apply:

- 1) the policy was obtained through a material misrepresentation;
- 2) any "insured" has violated any of the "terms" and conditions of the policy;
- 3) the risk originally accepted has measurably increased;
- 4) certification of the Director of the loss of reinsurance which provided coverage to "us" for all or a substantial part of the underlying risk insured; or
- 5) a determination by the Director that the continuation of the policy could place "us" in violation of the insurance laws of this state.

If "we" cancel for any of these reasons, "we" will mail the cancellation notice at least 60 days before the effective date of cancellation.

- g. "Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

3. If 1. or 2. above do not apply, under Common Policy Conditions, Cancellation is deleted and replaced by the following:

**Cancellation** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel this policy by mailing "our" written notice of cancellation to "you" and any mortgagee or lienholder at the last mailing address known to "us". "Our" notice will include the reason or reasons for cancellation. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record. Proof of mailing is sufficient proof of notice.



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If this policy has been in effect for 60 days or less, "we" may cancel for any reason. If "we" cancel for any reason other than nonpayment of premium, "we" will mail the cancellation notice at least 30 days before the effective date of cancellation.

If this policy has been in effect more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel if one or more of the following reasons apply:

- a. the premium has not been paid when due;
- b. the policy was obtained through a material misrepresentation;
- c. any "insured" has violated any of the "terms" and conditions of the policy;
- d. the risk originally accepted has measurably increased;
- e. certification of the Director of the loss of reinsurance which provided coverage to "us" for all or a substantial part of the underlying risk insured; or
- f. a determination by the Director that the continuation of the policy could place "us" in violation of the insurance laws of this state.

If "we" cancel for nonpayment of premium, "we" will mail the cancellation notice at least ten days before the effective date of cancellation.

If "we" cancel this policy for any reason other than nonpayment of premium when it has been in effect for more than 60 days, "we" will mail the cancellation notice at least 60 days before the effective date of cancellation.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

4. Under Common Policy Conditions, the following condition is added:

**Nonrenewal --**

If "we" decide not to renew this policy, "we" will mail "our" notice of nonrenewal to "you" at least 60 days before the end of the policy period. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record and any mortgagee or lienholder at the last mailing address known to "us". Proof of mailing is sufficient proof of notice. "Our" notice will include the reasons for nonrenewal.

5. Under Common Policy Conditions, the following condition is added:

**Renewal --** If "we" decide to renew this policy with premium increases of 30% or higher, or impose changes in deductible or coverage that materially alter the policy, "we" will mail to "you" written notice of such increase or change in deductible or coverage at least 60 days before the renewal or anniversary date. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record. Proof of mailing is sufficient proof of notice. The 60-day prior notification because of premium increase is not necessary where increases exceeding 30% are due to changed conditions or increased or broadened coverage initiated by "you".

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**CL 0120 10 08**

AAIS  
CL 0600 01 15  
Page 1 of 1

This endorsement changes  
the policy  
-- PLEASE READ THIS CAREFULLY --

## CERTIFIED TERRORISM LOSS

1. The following definitions are added.
  - a. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States:
    - 1) to be an act of terrorism;
    - 2) to be a violent act or an act that is dangerous to human life, property, or infrastructure;
    - 3) to have resulted in damage:
      - a) within the United States; or
      - b) to an air carrier (as defined in section 40102 of title 49, United States Code); to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or at the premises of any United States mission;
    - 4) to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion; and
    - 5) to have resulted in insured losses in excess of five million dollars in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended.
  - b. "Certified terrorism loss" means loss that results from a "certified act of terrorism".
2. The "terms" of any terrorism exclusion that is part of or that is attached to this Coverage Part are amended by the following provision:
 

This exclusion does not apply to "certified terrorism loss".
3. The following provision is added.
 

If the Secretary of the Treasury determines that the aggregate amount of "certified terrorism loss" has exceeded one hundred billion dollars in a calendar year (January 1 through December 31), and "we" have met "our" insurer deductible under the Terrorism Risk Insurance Act, as amended, "we" will not pay for any portion of "certified terrorism loss" that exceeds one hundred billion dollars. If the "certified terrorism loss" exceeds one hundred billion dollars in a calendar year (January 1 through December 31), losses up to one hundred billion dollars are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury under the Terrorism Risk Insurance Act, as amended.
4. The following provisions are added.
  - a. Neither the "terms" of this endorsement nor the "terms" of any other terrorism endorsement attached to this Coverage Part provide coverage for any loss that would otherwise be excluded by this Coverage Part under:
    - 1) exclusions that address war, military action, or nuclear hazard; or
    - 2) any other exclusion; and
  - b. the absence of any other terrorism endorsement does not imply coverage for any loss that would otherwise be excluded by this Coverage Part under:
    - 1) exclusions that address war, military action, or nuclear hazard; or
    - 2) any other exclusion.

CL 0600 01 15

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This endorsement changes  
the policy  
-- PLEASE READ THIS CAREFULLY --

## VIRUS OR BACTERIA EXCLUSION

### DEFINITIONS

#### Definitions Amended --

When "fungus" is a defined "term", the definition of "fungus" is amended to delete reference to a bacterium.

When "fungus or related perils" is a defined "term", the definition of "fungus or related perils" is amended to delete reference to a bacterium.

### PERILS EXCLUDED

The additional exclusion set forth below applies to all coverages, coverage extensions, supplemental coverages, optional coverages, and endorsements that are provided by the policy to which this endorsement is attached, including, but not limited to, those that provide coverage for property, earnings, extra expense, or interruption by civil authority.

1. The following exclusion is added under Perils Excluded, item 1.:

#### Virus or Bacteria --

"We" do not pay for loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

This exclusion applies to, but is not limited to, any loss, cost, or expense as a result of:

- a. any contamination by any virus, bacterium, or other microorganism; or
  - b. any denial of access to property because of any virus, bacterium, or other microorganism.
2. **Superseded Exclusions** -- The Virus or Bacteria exclusion set forth by this endorsement supersedes the "terms" of any other exclusions referring to "pollutants" or to contamination with respect to any loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

### OTHER CONDITIONS

#### Other Terms Remain in Effect --

The "terms" of this endorsement, whether or not applicable to any loss, cost, or expense, cannot be construed to provide coverage for a loss, cost, or expense that would otherwise be excluded under the policy to which this endorsement is attached.

CL 0700 10 06

**COMMERCIAL INLAND MARINE**  
**CM 00 01 09 04**

## COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

### LOSS CONDITIONS

#### A. Abandonment

There can be no abandonment of any property to us.

#### B. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

#### C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
10. Cooperate with us in the investigation or settlement of the claim.

#### D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

#### E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
  - a. We have reached agreement with you on the amount of the loss; or
  - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

#### **F. Other Insurance**

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

#### **G. Pair, Sets Or Parts**

##### **1. Pair Or Set**

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

##### **2. Parts**

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

#### **H. Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

#### **I. Reinstatement Of Limit After Loss**

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

#### **J. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance; or
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you.

This will not restrict your insurance.

#### **GENERAL CONDITIONS**

##### **A. Concealment, Misrepresentation Or Fraud**

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

##### **B. Control Of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

##### **C. Legal Action Against Us**

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

**D. No Benefit To Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**E. Policy Period, Coverage Territory**

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

**F. Valuation**

The value of property will be the least of the following amounts:

1. The actual cash value of that property;

2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.



COMMERCIAL INLAND MARINE  
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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES – ARTIFICIALLY GENERATED CURRENT EXCLUSION**

This endorsement modifies insurance provided under the following:

CAMERA AND MUSICAL INSTRUMENT DEALERS COVERAGE FORM  
EQUIPMENT DEALERS COVERAGE FORM  
FLOOR PLAN COVERAGE FORM  
PHYSICIANS AND SURGEONS EQUIPMENT COVERAGE FORM  
SIGNS COVERAGE FORM  
THEATRICAL PROPERTY COVERAGE FORM

**A. The exclusion set forth in:**

- Paragraph **B.2.h.** of the Camera And Musical Instrument Dealers Coverage Form and the Theatrical Property Coverage Form;
- Paragraph **B.2.f.** of the Equipment Dealers Coverage Form;
- Paragraph **B.2.e.** of the Physicians And Surgeons Equipment Coverage Form; and
- Paragraph **B.2.d.** of the Floor Plan Coverage Form;

is replaced by the following:

Artificially generated current creating a short circuit or other electric disturbance within an article covered under this coverage form.

But if artificially generated current, as described above, results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this coverage form.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

**B. In the Signs Coverage Form, Exclusion **B.2.d.** is replaced by the following:**

- d.** Artificially generated current creating a short circuit or other electric disturbance within an article covered under this coverage form.

But if artificially generated current, as described above, results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this coverage form.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

IM 202 07 05

This endorsement changes the  
Contractors' Equipment Coverage  
-- PLEASE READ THIS CAREFULLY --

Page 1 of 1

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## DEDUCTIBLE WAIVER FOR LOJACK BRAND PROTECTION SYSTEM

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### HOW MUCH WE PAY

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The following is added under How Much We Pay:

In the event of a theft "loss" we agree to waive your deductible amount up to \$25,000 if any piece of stolen equipment is protected by an operational LoJack Stolen Vehicle Police Recovery System.

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### WHAT MUST BE DONE IN CASE OF LOSS

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The following two provisions are added to What Must Be Done In Case Of Loss:

You must work with the police (having jurisdiction in the area which the theft occurred) to ensure that the piece of equipment is entered as a vehicle into their computer system.

You must call LoJack toll free at (877) 775-6522 and provide the Corporate Construction Administrator with the same information you provided the local law enforcement agency (including the police report case number).

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IM202 07 05

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This endorsement changes  
the policy  
-- PLEASE READ THIS CAREFULLY --

## AMENDATORY ENDORSEMENT ILLINOIS

1. Under Definitions, item b. of Pollutants is deleted.
2. Under Coverage Extensions, Defense Costs, if applicable, is amended as follows:
  - a. Paragraph a. Coverage is deleted and replaced by the following:
    - a. **Coverage** -- "We" have the right and duty to defend any "suit" brought against "you" as a result of damage to covered property caused by a covered loss. "We" may investigate and settle a claim or "suit".
  - b. Under paragraph d., item 4) is deleted and replaced by the following:
    - 4) expenses that "you" incur for expert testimony or court-ordered arbitration or mediation;
  - c. The following paragraph is added:
 

The expenses "we" incur under Defense Costs will not reduce the applicable "limit" for coverage described under Property Covered.
3. Under Perils Excluded, Criminal, Fraudulent, Dishonest, Or Illegal Acts is amended to include the following:
 

However, if the loss is caused by an act arising out of a pattern of criminal domestic violence and the perpetrator of the loss is criminally prosecuted for the act causing the loss, this exclusion does not apply to an otherwise covered loss suffered by another insured who did not cooperate in or contribute to the act that caused the loss.

Subject to the "terms" under How Much We Pay and all other "terms" of this policy, "our" payment to an insured who did not cooperate in or contribute to the act that caused the loss may be limited to the claimant's
- insurable interest less payments made to a mortgagee or other party with a legal secured interest in the property.
4. Under Other Conditions, Misrepresentation, Concealment, Or Fraud is deleted and replaced by the following:
 

**Misrepresentation, Concealment, Or Fraud** -- "We" do not provide coverage for an insured who has:

  - a. willfully concealed or misrepresented:
    - 1) a material fact or circumstance with respect to this insurance; or
    - 2) an insured's interest herein; or
  - b. engaged in fraudulent conduct or sworn falsely with respect to this insurance or the subject thereof.
5. Under Other Conditions, Subrogation is amended to include the following:
 

An innocent insured who is the subject of criminal domestic violence by another insured cannot waive his or her right to recover. "We" retain all rights set forth by this Subrogation condition with regard to "our" right to recover, up to the amount "we" pay, for loss caused by an act of criminal domestic violence.
6. In all coverage forms except Cold Storage Locker Coverage, Contingent Cargo Coverage, Motor Truck Cargo Legal Liability Coverage, Riggers' Legal Liability Coverage, and Warehouse Legal Liability Coverage, under Other Conditions, Suit Against Us is amended to include the following:
 

However, this period is extended by the number of days between the date proof of loss is submitted and the claim is denied in whole or in part.

IM 2027 08 09

## CONTRACTORS' EQUIPMENT COVERAGE

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### AGREEMENT

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In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Contractors' Equipment Coverage. This coverage is also subject to the "schedule of coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.

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### DEFINITIONS

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1. The words "you" and "your" mean the persons or organizations named as the insured on the declarations.
2. The words "we", "us", and "our" mean the company providing this coverage.
3. "Contractors' equipment" means machinery, equipment, and tools of a mobile nature that "you" use in "your" contracting, installation, erection, repair, or moving operations or projects.

"Contractors' equipment" also means:

- a. self-propelled vehicles designed and used primarily to carry mounted equipment; or

- b. vehicles designed for highway use that are unlicensed and not operated on public roads.
4. "Equipment schedule" means a schedule of "contractors' equipment" that is attached to this policy and that describes each piece of covered equipment.
5. "Jobsite" means any location, project, or work site where "you" are in the process of construction, installation, erection, repair, or moving.
6. "Limit" means the amount of coverage that applies.
7. "Pollutant" means:
  - a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
  - b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.
8. "Schedule of coverages" means:
  - a. all pages labeled schedule of coverages or schedules which pertain to this coverage; and
  - b. declarations or supplemental declarations which pertain to this coverage.
9. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.

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10. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to:

- a. personal property in the open; or
- b. the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roofs or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

11. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.
12. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow.
- Volcanic action does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss to the covered property.

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## PROPERTY COVERED

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"We" cover the following property unless the property is excluded or subject to limitations.

1. **Scheduled Equipment --**
  - a. **Coverage --** "We" cover direct physical loss caused by a covered peril to:
    - 1) "your" "contractors' equipment"; and

- 2) "contractors' equipment" of others in "your" care, custody, or control.

- b. **Coverage Limitation --** "We" only cover "your" "contractors' equipment" and "contractors' equipment" of others:

- 1) that are described on the "equipment schedule"; and
- 2) when Scheduled Equipment is indicated on the "schedule of coverages".

## 2. Schedule On File --

- a. **Coverage --** "We" cover direct physical loss caused by a covered peril to:

- 1) "your" "contractors' equipment"; and
- 2) "contractors' equipment" of others in "your" care, custody, or control.

- b. **Coverage Limitation --** "We" only cover "your" "contractors' equipment" and "contractors' equipment" of others:

- 1) that are listed in a schedule which "you" must submit to "us" and "we" keep on file, the schedule must contain a description of each item to be covered and a "limit" for each item; and
- 2) when Schedule on File is indicated on the "schedule of coverages".

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## PROPERTY NOT COVERED

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1. **Aircraft Or Watercraft --** "We" do not cover aircraft or watercraft.
2. **Contraband --** "We" do not cover contraband or property in the course of illegal transportation or trade.
3. **Leased Or Rented Property --** "We" do not cover property that "you" lease or rent to others.

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4. **Loaned Property** -- "We" do not cover property that "you" loan to others.
5. **Underground Mining Operations** -- "We" do not cover property while stored or operated underground in connection with any mining operations.
6. **Vehicles** -- "We" do not cover automobiles, motor trucks, tractors, trailers, and similar conveyances designed for highway use and used for over the road transportation of people or cargo. However, this does not include:
  - a. self-propelled vehicles designed and used primarily to carry mounted equipment; or
  - b. vehicles designed for highway use that are unlicensed and not operated on public roads.
7. **Waterborne Property** -- "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.

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## **COVERAGE EXTENSIONS**

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**Provisions That Apply To Coverage Extensions** -- The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Coverage Extension, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage including a Coverage Extension or Supplemental Coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following coverage extensions are not subject to and not considered in applying coinsurance conditions.

### **Debris Removal --**

1. **Coverage** -- "We" pay the cost to remove the debris of covered property that is caused by a covered peril.
2. **We Do Not Cover** -- This coverage does not include costs to:
  - a. extract "pollutants" from land or water; or
  - b. remove, restore, or replace polluted land or water.
3. **Limit** -- "We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.
4. **Additional Limit** -- "We" pay up to an additional \$5,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.
5. **You Must Report Your Expenses** -- "We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.



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## SUPPLEMENTAL COVERAGES

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### Provisions That Apply To Supplemental

**Coverages** -- The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Coverage, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.

The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension including a Supplemental Coverage or Coverage Extension that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following supplemental coverages are not subject to and not considered in applying coinsurance conditions.

### 1. Employee Tools --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to tools owned by "your" employees.
- b. **Coverage Limitation** -- "We" only cover tools owned by "your" employees while at a:
  - 1) premises that "you" own or operate; or
  - 2) "jobsite".
- c. **Limit** -- The most "we" pay in any one occurrence for loss to employee tools is \$5,000.

### 2. Equipment Leased Or Rented From Others --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to "contractors' equipment" that "you" have leased or rented from others.
- b. **Limit** -- The most "we" pay in any one occurrence for equipment leased or rented from others is \$25,000.

### 3. Newly Purchased Property --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to additional "contractors' equipment" that "you" purchase during the policy period.
- b. **Limit** -- The most that "we" pay for any loss under this supplemental coverage is the least of the:
  - 1) actual cash value of the covered property; or
  - 2) "limit" for newly purchased property indicated on the "schedule of coverages". If no "limit" is indicated, then 30% of the Catastrophe Limit indicated on the "schedule of coverages" applies to this coverage.

- c. **Time Limitation** -- "We" extend coverage to the additional "contractors' equipment" that "you" purchase for up to 60 days.

This supplemental coverage will end when any of the following first occur:

- 1) this policy expires;
- 2) 60 days after "you" obtain the additional "contractors' equipment"; or
- 3) "you" report the additional "contractors' equipment" to "us".

- d. **Additional Premium** -- "You" must pay any additional premium due from the date "you" purchase the additional "contractors' equipment".

4. **Pollutant Cleanup And Removal** --

- a. **Coverage** -- "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period.
- b. **Time Limitation** -- The expenses to extract "pollutants" are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.
- c. **We Do Not Cover** -- "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants".

However, "we" pay the cost of testing which is necessary for the extraction of "pollutants" from land or water.

- d. **Limit** -- The most "we" pay for each location is \$25,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

5. **Rental Reimbursement** --

- a. **Coverage** -- In the event of a direct physical loss by a covered peril to "your" "contractors' equipment", "we" reimburse "you" for "your" expense to rent similar equipment while "your" equipment is inoperable.

The deductible amount indicated on the "schedule of coverages" does not apply to a loss covered under this supplemental coverage.

- b. **Waiting Period** -- "We" will not reimburse "you" for the rental of equipment until after the first 72-hours (unless otherwise indicated on the "schedule of coverages") following the direct physical loss to "your" "contractors' equipment" caused by a covered peril.
- c. **Incurred Rental Expenses** -- After the waiting period has passed, "we" will only reimburse "you" for the rental expenses that "you" actually incur.
- d. **Coverage After Expiration Date** -- "We" will continue to reimburse "you" for the rental of equipment after the expiration date of this coverage, provided the loss occurred before the expiration date.
- e. **Coverage Limitations** -- "We" will not reimburse "you":
- 1) if "you" can continue or resume "your" operations with similar equipment that is available to "you" at no additional expense to "you"; or
  - 2) for the rental expense of any equipment unless "you" make every reasonable effort to repair, replace, or rebuild the inoperable equipment after the loss by a covered peril occurs.
- f. **Limit** -- The most "we" reimburse "you" in any one occurrence for rental expenses is \$5,000.

## 6. Spare Parts And Fuel --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:
- 1) spare parts and accessories for "contractors' equipment"; and
  - 2) fluids for vehicles and "contractors' equipment"; fluids include gasoline, oil, and hydraulic fluid.
- b. **Limit** -- The most "we" pay in any one occurrence for loss to spare parts and accessories is \$5,000.

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## PERILS COVERED

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"We" cover risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

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## PERILS EXCLUDED

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1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.
  - a. **Civil Authority** -- "We" do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- b. **Nuclear Hazard** -- "We" do not pay for loss caused by or resulting from a nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct loss by fire resulting from the nuclear hazard is covered.
- c. **War And Military Action** -- "We" do not pay for loss caused by:
  - 1) war, including undeclared war or civil war; or
  - 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
  - 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War and Military Action Exclusion will apply in place of the Nuclear Hazard Exclusion.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following:
  - a. **Contamination or Deterioration** -- "We" do not pay for loss caused by contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in the covered property that causes it to damage or destroy itself.

But if contamination or deterioration results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

- b. **Criminal, Fraudulent, Dishonest Or Illegal Acts** -- "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:
- 1) "you";
  - 2) others who have an interest in the property;
  - 3) others to whom "you" entrust the property;
  - 4) "your" partners, officers, directors, trustees, joint venturers, or "your" members or managers if "you" are a limited liability company; or
  - 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- c. **Loss Of Use** -- "We" do not pay for loss caused by or resulting from loss of use, delay, or loss of market.
- d. **Mechanical Breakdown** -- "We" do not pay for loss caused by any mechanical, structural, or electrical breakdown or malfunction including a breakdown or malfunction resulting from a structural, mechanical, or reconditioning process.
- But if a mechanical, structural, or electrical breakdown or malfunction results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

- e. **Missing Property** -- "We" do not pay for missing property where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- f. **Pollutants** -- "We" do not pay for loss caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":
- 1) unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril"; or
  - 2) except as specifically provided under the Supplemental Coverages - Pollutant Cleanup and Removal.

"We" do cover any resulting loss caused by a "specified peril".

- g. **Temperature/Humidity** -- "We" do not pay for loss caused by dryness, dampness, humidity, or changes in or extremes of temperature.

But if dryness, dampness, humidity, or changes in or extremes of temperature results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

- h. **Voluntary Parting** -- "We" do not pay for loss caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.

- i. **Wear And Tear** -- "We" do not pay for loss caused by wear and tear, marring, or scratching.

But if wear and tear, marring, or scratching results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

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## WHAT MUST BE DONE IN CASE OF LOSS

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1. **Notice** -- In case of a loss, "you" must:

- a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
- b. give notice to the police when the act that causes the loss is a crime.

2. **You Must Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.

- a. **Payment of Reasonable Costs** -- "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. "Our" payment of reasonable costs does not increase the "limit".
- b. **We Do Not Pay** -- "We" do not pay for such repairs or emergency measures performed on property which has not been damaged by a peril insured against.

3. **Proof Of Loss** -- "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:

- a. the time, place, and circumstances of the loss;
- b. other policies of insurance that may cover the loss;
- c. "your" interest and the interests of all others in the property involved, including all mortgages and liens;
- d. changes in title of the covered property during the policy period; and
- e. estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.

4. **Examination** -- "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.

5. **Records** -- "You" must produce records, including tax returns and bank microfilms of all canceled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.

6. **Damaged Property** -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.

7. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.

8. **Abandonment** -- "You" may not abandon the property to "us" without "our" written consent.

9. **Cooperation** -- "You" must cooperate with "us" in performing all acts required by this policy.

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## VALUATION

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1. **Actual Cash Value** -- The value of covered property will be based on the actual cash value at the time of the loss (with a deduction for depreciation) unless replacement cost is indicated on the "schedule of coverages".
2. **Replacement Cost** -- The value of covered property will be based on the replacement cost without any deduction for depreciation unless Actual Cash Value is indicated on the "schedule of coverages".
  - a. **Replacement Cost Limitation** -- The replacement cost is limited to the cost of repair or replacement with similar materials and used for the same purpose. The payment will not exceed the amount "you" spend to repair or replace the damaged or destroyed property.
  - b. **Replacement Cost Does Not Apply Until Repair Or Replacement** -- Replacement cost valuation does not apply until the damaged or destroyed property is repaired or replaced.
  - c. **Time Limitation** -- "You" may make a claim for actual cash value before repair or replacement takes place, and later for the replacement cost if "you" notify "us" of "your" intent within 180 days after the loss.
3. **Pair Or Set** -- The value of a lost or damaged article which is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
4. **Loss To Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

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## HOW MUCH WE PAY

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1. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.
2. **Flat Deductible** -- "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" in any one occurrence unless Percentage Deductible is indicated on the "schedule of coverages".
3. **Percentage Deductible** -- When a percentage deductible is indicated on the "schedule of coverages", "we" pay only that part of "your" loss over the deductible amount as determined below.
  - a. **Determining The Deductible Amount** -- The deductible amount is determined by applying the percentage indicated on the "schedule of coverages" to the value of the covered property that is involved in the loss. The value is determined by the provisions described under the Valuation section of this policy.
  - b. **Two Or More Items** -- If a loss involves two or more pieces of equipment, the percentage indicated on the "schedule of coverages" will apply only to the covered property with the highest value.
  - c. **Minimum and Maximum Deductible** -- The percentage deductible will not exceed the Maximum Deductible amount and will not be less than the Minimum Deductible amount indicated on the "schedule of coverages".
4. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 3., 5., 6., and 7. under How Much We Pay, "we" pay the lesser of:
  - a. the amount determined under Valuation;



- b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
- c. the "limit" that applies to the covered property. However, the most "we" pay for loss in any one occurrence is the Catastrophe Limit indicated on the "schedule of coverages".

5. **Coinsurance --**

- a. **When Coinsurance Applies --** "We" only pay a part of the loss if the "limit" is less than the percentage of the value of the covered property that is indicated on the "schedule of coverages".
- b. **How We Determine Our Part Of The Loss --** "Our" part of the loss is determined using the following steps:
  - 1) multiply the percent indicated on the "schedule of coverages" by the value of the covered property at the time of loss;
  - 2) divide the "limit" for covered property by the result determined in b.1) above;
  - 3) multiply the total amount of loss, after the application of any deductible, by the result determined in b.2) above.

The most "we" pay is the amount determined in b.3) above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

- c. **If There Is More Than One Limit --** If there is more than one "limit" indicated on the "schedule of coverages" for this coverage part, this procedure applies separately to each "limit".
- d. **If There Is Only One Limit --** If there is only one "limit" indicated on the "schedule of coverages" for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.

- e. **When Coinsurance Does Not Apply --** Conditions for coinsurance do not apply unless a coinsurance percentage is indicated on the "schedule of coverages".

6. **Insurance Under More Than One**

**Coverage --** If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.

7. **Insurance Under More Than One Policy --**

- a. **Proportional Share --** "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.
- b. **Excess Amount --** If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit".

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## LOSS PAYMENT

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1. **Loss Payment Options --**

- a. **Our Options --** In the event of loss covered by this coverage form, "we" have the following options:
  - 1) pay the value of the lost or damaged property;
  - 2) pay the cost of repairing or replacing the lost or damaged property;

- 3) rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
    - 4) take all or any part of the property at the agreed or appraised value.
  - b. **Notice Of Our Intent To Rebuild, Repair, Or Replace** -- "We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.
2. **Your Losses** --
- a. **Adjustment And Payment Of Loss** -- "We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy.
  - b. **Conditions For Payment Of Loss** -- An insured loss will be payable 30 days after:
    - 1) a satisfactory proof of loss is received, and
    - 2) the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".
3. **Property Of Others** --
- a. **Adjustment And Payment of Loss To Property of Others** -- Losses to property of others may be adjusted with and paid to:
    - 1) "you" on behalf of the owner; or
    - 2) the owner.
  - b. **We Do Not Have To Pay You If We Pay The Owner** -- If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits brought by the owners at "our" expense.

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## REPORTING CONDITIONS

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**Equipment Leased Or Rented From Others** -- If indicated on the "schedule of coverages", the following reporting conditions apply.

1. **Reports** --
  - a. **You Will Report To Us** -- Within 30 days after the end of the policy period, "you" will report to "us" the total amount of "your" expenditures for "contractors' equipment" that "you" lease or rent from others.
  - b. **Cancellation** -- If this policy is canceled, "you" will report the total amount of expenditures up to and including the date of cancellation.
2. **Premium Computation And Adjustment** --
  - a. The premium will be adjusted at the end of the policy period. The total computed premium will be determined by multiplying "your" total equipment expenditures by the reporting rate indicated on the "schedule of coverages" for Equipment Leased or Rented From Others.
  - b. "We" will compare the total computed premium to the deposit premium. If it is more than the deposit premium, "you" will pay "us" the difference. If it is less than the deposit premium, "we" will pay "you" the difference subject to the minimum premium indicated on the "schedule of coverages".
3. **Provisions That Affect How Much We Pay** -- The following provisions apply to reports that are submitted and may affect How Much We Pay:
  - a. **Failure To Submit Reports** -- If "you" have failed to submit the required reports or no report has been submitted, the most "we" will pay is 90% of the "limit".

- b. **Reported Values Are Less Than The Full Value** -- If "your" last report before a loss shows less than the actual value of "your" expenditures for "contractors' equipment" that "you" lease or rent from others, "we" will only pay a part of the loss. "We" will not pay a greater portion of the loss, prior to the application of the deductible, than the total expenditures "you" reported divided by "your" actual expenditures for "contractors' equipment" that "you" lease or rent from others during the reporting period.
- c. **We Will Not Pay More Than The Limit** -- "We" will not pay more than the applicable "limit" regardless of any reported value used in computing the premium.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Benefit to Others** -- Insurance under this coverage will not directly or indirectly benefit anyone having custody of "your" property.

3. **Conformity With Statute** -- When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.

4. **Estates** -- This provision applies only if the insured is an individual.

- a. **Your Death** -- On "your" death, "we" cover the following as an insured:

- 1) the person who has custody of "your" property until a legal representative is qualified and appointed; or
- 2) "your" legal representative.

This person or organization is an insured only with respect to property covered by this coverage.

- b. **Policy Period Is Not Extended** -- This coverage does not extend past the policy period indicated on the declarations.

## OTHER CONDITIONS

1. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

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5. **Misrepresentation, Concealment, Or Fraud** -- This coverage is void as to "you" and any other insured if, before or after a loss:
- a. "you" or any other insured have willfully concealed or misrepresented:
    - 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
    - 2) "your" interest herein.
  - b. there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.
6. **Policy Period** -- "We" pay for a covered loss that occurs during the policy period.
7. **Recoveries** -- If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
- a. "you" must notify "us" promptly if "you" recover property or receive payment;
  - b. "we" must notify "you" promptly if "we" recover property or receive payment;
  - c. any recovery expenses incurred by either are reimbursed first;
  - d. "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid or any lesser amount to which "we" agree; and
  - e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be pro rated between "you" and "us" based on "our" respective interest in the loss.
8. **Restoration Of Limits** -- A loss "we" pay under this coverage does not reduce the applicable "limit" unless it is a total loss to a scheduled item. In the event of a total loss to a scheduled item, "we" refund the unearned premium on that item.
9. **Subrogation** -- If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.
- "You" may waive "your" right to recover from others in writing before a loss occurs.
10. **Suit Against Us** -- No one may bring a legal action against "us" under this coverage unless:
- a. all of the "terms" of this coverage have been complied with; and
  - b. the suit has been brought within two years after "you" first have knowledge of the loss.
- If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.
11. **Territorial Limits** -- "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.

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## SCHEDULE OF COVERAGES CONTRACTORS EQUIPMENT

(The entries required to complete this schedule  
will be shown below or on the "schedule of coverages".)

### PROPERTY COVERED

(check one)

☒ Scheduled Equipment (Refer to Equipment Schedule)

☐ Schedule On File (Schedule Dated : \_\_\_\_\_)  
Limit

**Catastrophe Limit** -- The most "we" pay  
for loss in any one occurrence is:

\$ 12,500

### COVERAGE EXTENSIONS

Additional Debris Removal Expenses \$ 5,000

### SUPPLEMENTAL COVERAGES

Employee Tools \$ 5,000

Equipment Leased or Rented From Others \$ 25,000

Newly Purchased Equipment (check one)

☒ Percentage of Catastrophe Limit 30 %

☐ Dollar Limit \$ \_\_\_\_\_

Pollutant Cleanup and Removal \$ 25,000  
Rental Reimbursement

-- Reimbursement Limit \$ 5,000

-- Waiting Period 72 hrs.

Spare Parts and Fuel \$ 5,000





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**EQUIPMENT SCHEDULE  
CONTRACTORS EQUIPMENT  
VALUATION BASIS**

(The entries required to complete this schedule  
will be shown below or on the "schedule of coverages".)

**SCHEDULED EQUIPMENT**

ACV = Actual Cash Value      RP = Replacement Cost

AA = Agreed Amount

Item #	Description of Equipment		
1	2009 T 300 Fork Lift S#035254		
	Limit \$ <u>12,500</u>	Valuation	RC

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## SCHEDULED PROPERTY FLOATER

In this coverage form, the words "you" and "your" mean the persons or organizations named as the insured on the declarations and the words "we", "us", and "our" mean the company providing this coverage.

Refer to the Definitions section at the end of this coverage form for additional words and phrases that have special meaning. These words and phrases are shown in quotation marks.

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### AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Scheduled Property Floater. This coverage is also subject to the "schedule of coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

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### PROPERTY COVERED

"We" cover the following property unless the property is excluded or subject to limitations.

1. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:
  - a. "your" property; and
  - b. property of others in "your" care, custody, and control.

2. **Coverage Limitation** -- "We" only cover "your" property and property of others that are described on the "schedule of coverages".

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### PROPERTY NOT COVERED

1. **Aircraft Or Watercraft** -- "We" do not cover aircraft or watercraft.
2. **Buildings And Land** -- "We" do not cover buildings or land including land on which covered property is located.
3. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.
4. **Money And Securities** -- "We" do not cover accounts, bills, currency, food stamps, or other evidences of debt, lottery tickets not held for sale, money, notes, or securities.
5. **Vehicles** -- "We" do not cover automobiles or any self-propelled vehicles that are designed for highway use.
6. **Waterborne Property** -- "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.

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### COVERAGE EXTENSIONS

**Provisions That Apply To Coverage Extensions** -- The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

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However, if no "limit" is indicated for a Coverage Extension within this coverage form, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage, including a Coverage Extension, Supplemental Coverage, or other coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following Coverage Extensions are not subject to and not considered in applying coinsurance conditions.

**Debris Removal --**

1. **Coverage** -- "We" pay the cost of debris removal. Debris removal means the costs for the demolition, clearing, and removal of debris of covered property if such debris results from a covered peril.
2. **We Do Not Cover** -- This coverage does not include costs to:
  - a. extract "pollutants" from land or water; or
  - b. remove, restore, or replace polluted land or water.
3. **Limit** -- "We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss or damage exclusive of the costs for debris removal. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.

4. **Additional Limit** -- "We" pay up to an additional \$5,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.

5. **You Must Report Your Expenses** -- "We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.

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**SUPPLEMENTAL COVERAGES**

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**Provisions That Apply To Supplemental Coverages** -- The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Coverage within this coverage form, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.

The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

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The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension, including a Supplemental Coverage, Coverage Extension, or other coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following Supplemental Coverages are not subject to and not considered in applying coinsurance conditions.

**1. Newly Acquired Property --**

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to additional property that:
  - 1) is similar to the property described on the "schedule of coverages"; and
  - 2) "you" acquire during the policy period.
- b. **Limit** -- The most that "we" pay for any loss under this supplemental coverage is the least of:
  - 1) the value of covered property as described in the Valuation section of this coverage form; or
  - 2) \$15,000.
- c. **Time Limitation** -- "We" extend coverage to the additional property that "you" acquire for up to 60 days.
 

This supplemental coverage will end when any of the following first occur:

  - 1) this policy expires;
  - 2) 60 days after "you" obtain the additional property; or
  - 3) "you" report the additional property to "us".
- d. **Additional Premium** -- "You" must pay any additional premium due from the date "you" acquire the additional property.

**2. Pollutant Cleanup And Removal --**

- a. **Coverage** -- "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period.
- b. **Time Limitation** -- The expenses to extract "pollutants" are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.
- c. **We Do Not Cover** -- "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants".
 

However, "we" pay the cost of testing that is necessary for the extraction of "pollutants" from land or water.
- d. **Limit** -- The most "we" pay for each location is \$10,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

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**PERILS COVERED**

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"We" cover risks of direct physical loss or damage unless the loss is limited or caused by a peril that is excluded.

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**PERILS EXCLUDED**

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1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

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- a. **Civil Authority** -- Order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- b. **Earth Movement** -- Any "earth movement".

However, if eruption, explosion, or effusion of a volcano results in "volcanic action", "we" will pay for the loss or damage caused by that "volcanic action".

If "earth movement" results in fire, "we" will pay for the loss or damage caused by that fire. If "earth movement" (other than eruption, explosion, or effusion of a volcano) results in explosion, "we" will pay for the loss or damage caused by that explosion.

This exclusion does not apply to covered property while in transit.

- c. **Flood** -- "Flood".

"We" also do not cover waterborne material carried or otherwise moved by "flood", whether or not driven by wind, including storm surge, or material carried or otherwise moved by mudslide or mudflow.

However, if "flood" results in fire, explosion, or sprinkler leakage, "we" will pay for the loss or damage caused by that fire, explosion, or sprinkler leakage.

This exclusion does not apply to covered property while in transit.

- d. **Nuclear Hazard** -- Nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct loss by fire resulting from the nuclear hazard is covered.

- e. **Sewer, Septic Tank, Sump, Or Drain Backup And Water Below The Surface** --

- 1) Water or waterborne material that backs up, overflows or is otherwise discharged through a sewer or drain, sump or septic tank, eaves trough or downspout; or
- 2) water or waterborne material below the surface of the ground, whether naturally or artificially occurring, including but not limited to water or waterborne material that exerts pressure on or flows, seeps, or leaks through or into a building or structure, sidewalk, driveway, foundation, swimming pool, or other structure.

But if sewer, drain, sump, septic tank, eaves trough, or downspout backup and water or waterborne material below the surface results in fire, explosion, or sprinkler leakage, "we" cover the loss or damage caused by that fire, explosion, or sprinkler leakage.

This exclusion does not apply to covered property while in transit.

- f. **War And Military Action** --

- 1) War, including undeclared war or civil war; or
- 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or

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- 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War And Military Action exclusion will apply in place of the Nuclear Hazard exclusion.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following:

- a. **Contamination Or Deterioration --**

"We" do not pay for loss or damage caused by or resulting from contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in the covered property that causes it to damage or destroy itself.

- b. **Criminal, Fraudulent, Dishonest, Or Illegal Acts --** "We" do not pay for loss or damage caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:

- 1) "you";
- 2) others who have an interest in the property;
- 3) others to whom "you" entrust the property;
- 4) "your" partners, officers, directors, trustees, joint venturers, or "your" members or managers if "you" are a limited liability company; or
- 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- c. **Electrical Currents --** "We" do not pay for loss or damage caused by or resulting from arcing or by electrical currents other than lightning.

But if arcing or electrical currents other than lightning result in a "specified peril", "we" do cover the loss or damage caused by that "specified peril".

- d. **Explosion, Rupture, Or Bursting --**

"We" do not pay for loss or damage caused by or resulting from explosion, rupture, or bursting of steam boilers, steam or gas turbines, steam pipes, or steam engines. This exclusion applies only to loss or damage to the steam boilers, steam or gas turbines, steam pipes, or steam engines in which the loss occurred.

- e. **Loss Of Use --** "We" do not pay for loss or damage caused by or resulting from loss of use, delay, or loss of market.

- f. **Mechanical Breakdown --** "We" do not pay for loss or damage caused by or resulting from any mechanical, structural, or electrical breakdown or malfunction including a breakdown or malfunction resulting from a structural, mechanical, or reconditioning process.

- g. **Missing Property --** "We" do not pay for missing property where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property.

This exclusion does not apply to covered property in the custody of a carrier for hire.



- h. **Pollutants** -- "We" do not pay for loss or damage caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":

- 1) unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril"; or
- 2) except as specifically provided under the Supplemental Coverages - Pollutant Cleanup and Removal.

"We" do cover any resulting loss caused by a "specified peril".

- i. **Temperature/Humidity** -- "We" do not pay for loss or damage caused by or resulting from dryness, dampness, humidity, or changes in or extremes of temperature.

But if dryness, dampness, humidity, or changes in or extremes of temperature result in a "specified peril", "we" do cover the loss of damage caused by that "specified peril".

- j. **Theft From An Unattended Vehicle** -- "We" do not pay for theft from an unattended vehicle except when it is securely locked, its windows are fully closed, and there is visible evidence that entry into the vehicle was forced.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- k. **Voluntary Parting** -- "We" do not pay for loss or damage caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.
- l. **Wear And Tear** -- "We" do not pay for loss or damage caused by or resulting from wear and tear, marring, or scratching.

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## WHAT MUST BE DONE IN CASE OF LOSS

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1. **Notice** -- In case of a loss, "you" must:

- a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
- b. give notice to the police when the act that causes the loss is a crime.

2. **You Must Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.

- a. **Payment Of Reasonable Costs** -- "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. "Our" payment of reasonable costs does not increase the "limit".

- b. **We Do Not Pay** -- "We" do not pay for such repairs or emergency measures performed on property that has not been damaged by a peril insured against.

3. **Proof Of Loss** -- "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:

- a. the time, place, and circumstances of the loss;
- b. other policies of insurance that may cover the loss;

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- c. "your" interest and the interests of all others in the property involved, including all mortgages and liens;
  - d. changes in title of the covered property during the policy period; and
  - e. estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.
4. **Examination** -- "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.
5. **Records** -- "You" must produce records, including tax returns and bank microfilms of all canceled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
6. **Damaged Property** -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.
7. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
8. **Abandonment** -- "You" may not abandon the property to "us" without "our" written consent.
9. **Cooperation** -- "You" must cooperate with "us" in performing all acts required by this policy.

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## **VALUATION**

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- 1. **Actual Cash Value** -- The value of covered property will be based on the actual cash value at the time of loss (with a deduction for depreciation).
- 2. **Pair Or Set** -- The value of a lost or damaged article that is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
- 3. **Loss To Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

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## **HOW MUCH WE PAY**

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- 1. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.
- 2. **Deductible** -- "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" in any one occurrence.
- 3. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 4., 5., and 6. under How Much We Pay, "we" pay the lesser of:
  - a. the amount determined under Valuation;
  - b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
  - c. the "limit" that applies to the covered property.

4. **Coinsurance --**

- a. **When Coinsurance Applies --** "We" only pay a part of the loss if the "limit" is less than the percentage of the value of the covered property that is indicated on the "schedule of coverages".
- b. **How We Determine Our Part Of The Loss --** "Our" part of the loss is determined using the following steps:
- 1) multiply the percent indicated on the "schedule of coverages" by the value of the covered property at the time of loss;
  - 2) divide the "limit" for covered property by the result determined in b.1) above;
  - 3) multiply the total amount of loss, after the application of any deductible, by the result determined in b.2) above.

The most "we" pay is the amount determined in b.3) above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

- c. **If There Is More Than One Limit --** If there is more than one "limit" indicated on the "schedule of coverages" for this coverage part, this procedure applies separately to each "limit".
- d. **If There Is Only One Limit --** If there is only one "limit" indicated on the "schedule of coverages" for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.
- e. **When Coinsurance Does Not Apply --** Conditions for coinsurance do not apply unless a coinsurance percentage is indicated on the "schedule of coverages".

5. **Insurance Under More Than One Coverage --**

If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.

6. **Insurance Under More Than One Policy --**

- a. **Proportional Share --** "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.
- b. **Excess Amount --** If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit".

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## LOSS PAYMENT

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1. **Loss Payment Options --**

- a. **Our Options --** In the event of loss covered by this coverage form, "we" have the following options:
- 1) pay the value of the lost or damaged property;
  - 2) pay the cost of repairing or replacing the lost or damaged property;
  - 3) rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
  - 4) take all or any part of the property at the agreed or appraised value.

- b. **Notice Of Our Intent To Rebuild, Repair, Or Replace** -- "We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.
2. **Your Losses** --
- a. **Adjustment And Payment Of Loss** -- "We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy.
- b. **Conditions For Payment Of Loss** -- An insured loss will be payable 30 days after:
- 1) a satisfactory proof of loss is received; and
  - 2) the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".
3. **Property Of Others** --
- a. **Adjustment And Payment Of Loss To Property Of Others** -- Losses to property of others may be adjusted with and paid to:
- 1) "you" on behalf of the owner; or
  - 2) the owner.
- b. **We Do Not Have To Pay You If We Pay The Owner** -- If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits brought by the owners at "our" expense.

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## OTHER CONDITIONS

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1. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Benefit To Others** -- Insurance under this coverage will not directly or indirectly benefit anyone having custody of "your" property.

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3. **Conformity With Statute** -- When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.
4. **Estates** -- This provision applies only if the insured is an individual.
- a. **Your Death** -- On "your" death, "we" cover the following as an insured:
- 1) the person who has custody of "your" property until a legal representative is qualified and appointed; or
  - 2) "your" legal representative.
- This person or organization is an insured only with respect to property covered by this coverage.
- b. **Policy Period Is Not Extended** -- This coverage does not extend past the policy period indicated on the declarations.
5. **Misrepresentation, Concealment, Or Fraud** -- This coverage is void as to "you" and any other insured if, before or after a loss:
- a. "you" or any other insured have willfully concealed or misrepresented:
- 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
  - 2) "your" interest herein; or
- b. there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.
6. **Policy Period** -- "We" pay for a covered loss that occurs during the policy period.
7. **Recoveries** -- If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
- a. "you" must notify "us" promptly if "you" recover property or receive payment;
  - b. "we" must notify "you" promptly if "we" recover property or receive payment;
  - c. any recovery expenses incurred by either are reimbursed first;
  - d. "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid, or any lesser amount to which "we" agree; and
  - e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be pro rated between "you" and "us" based on "our" respective interest in the loss.
8. **Restoration Of Limits** -- A loss "we" pay under this coverage does not reduce the applicable "limits".
9. **Subrogation** -- If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.
- "You" may waive "your" right to recover from others in writing before a loss occurs.
10. **Suit Against Us** -- No one may bring a legal action against "us" under this coverage unless:
- a. all of the "terms" of this coverage have been complied with; and

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- b. the suit has been brought within two years after "you" first have knowledge of the loss.

If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.

11. **Territorial Limits** -- "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.

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**DEFINITIONS**

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1. "Earth movement" means:

- a. earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. landslide, mudslide or mudflow;
- c. mine subsidence whether or not the non-natural mine is currently in use;
- d. any other movement of earth, including sinking (other than "sinkhole collapse"), shifting, or rising of earth including, but not limited to, erosion, expansion, shrinking, freezing, thawing, improper soil compaction, and movement of water under the surface of the ground that cause cracking, settling, or shifting of foundations, buildings, or structures; or
- e. eruption, explosion, or effusion of a volcano.

2. "Flood" means an overflowing or inundation by water of an area that was previously and normally dry or not covered by water, whether caused artificially or naturally, by human or animal forces or by an act of nature. "Flood" includes, but is not limited to:

- a. overflow of inland or tidal waters, waves, tidal waves, or tsunamis, or spray that results from any of these, all whether driven by wind or not, including but not limited to storm surge;
- b. unusual and rapid accumulation or runoff of surface waters from any source; or
- c. mudslides or mudflows if caused by:
  - 1) unusual and rapid accumulation or runoff of surface waters or waves; or
  - 2) currents of water exceeding anticipated cyclical levels.

3. "Limit" means the amount of coverage that applies.

4. "Pollutant" means:

- a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
- b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.

5. "Schedule of coverages" means:

- a. all pages labeled "schedule of coverages" or schedules that pertain to this coverage; and
- b. declarations or supplemental declarations that pertain to this coverage.



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6. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.
7. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to:

- a. personal property in the open; or
- b. the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roofs or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

8. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.
9. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow.

"Volcanic action" does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss or damage to the covered property.

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IM 7506 10 09  
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## **SCHEDULE OF COVERAGES SCHEDULED PROPERTY FLOATER**

(The entries required to complete this schedule  
will be shown below or on the "schedule of coverages".)

### **COVERED PROPERTY**

Item No.	DESCRIBED PROPERTY	"Limit"
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

### **COVERAGE EXTENSIONS**

Additional Debris Removal Expenses \$ \_\_\_\_\_

### **SUPPLEMENTAL COVERAGES**

Newly Acquired Property \$ \_\_\_\_\_

Pollutant Cleanup And Removal \$ \_\_\_\_\_

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## DEDUCTIBLE AND COINSURANCE

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### DEDUCTIBLE

Deductible Amount \$2500

### COINSURANCE

☐ Not Applicable

☒ 80%      ☐ 90%      ☐ 100%      ☐ Other \_\_\_\_\_%

### OPTIONAL COVERAGES AND ENDORSEMENTS

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ZBC D713544 01  
1309516  
Original Insured

SUPERIOR KNIFE LLC

1281 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007

SUPERIOR KNIFE LLC  
1281 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007

SUPERIOR KNIFE LLC

1281 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007



Policy Change # 1 Effective 11/01/2019

This supersedes any previous declarations bearing the same policy number for this policy period

**Citizens Insurance Company of America (A Stock Company)**  
**808 North Highlander Way, Howell, MI 48843-1070**  
**Commercial Line Policy**  
**Common Declarations**

CM

Policy Number	Policy Period		Coverage is Provided in the:	Agency Code
	From	To		
ZBC D713544 01	10/01/2019	10/01/2020	Citizens Insurance Company of America	1309516

**Named Insured and Address :****Agent :**

SUPERIOR KNIFE LLC  
 1281 ARTHUR AVE  
 ELK GROVE VILLAGE IL 60007

ACRISURE LLC DBA PRESIDIO  
 55 SHUMAN BLVD STE 900  
 NAPERVILLE IL 60563

Branch : Chicago Branch Office

Policy Period : From 10/01/2019 To 10/01/2020

12:01 A.M. Standard Time at Your Mailing Address Shown Above.

Business Description : Knife Sharpening Company

Legal Entity : Limited Liability Corporation

In Consideration of the premium, insurance is provided the Name Insured with respect to those premises described in the attached schedule(s) for which a specific limit of insurance is shown. This is subject to all terms of this policy including Common Policy Conditions. Coverage Parts, Forms and Endorsements may be subject to adjustment and/or a policy minimum premium.

<b>Commercial Property Coverage</b>	\$2,801.00
<b>Commercial General Liability Coverage</b>	\$4,579.00
<b>Cyber Liability Coverage</b>	\$106.00
<b>Commercial Inland Marine Coverage</b>	\$267.00
<b>Commercial Crime Coverage</b>	Not Covered
<b>Commercial Auto Coverage</b>	Not Covered
<b>Total Surcharge Premium</b>	N/A
<b>Additional Premium For Policy Minimum</b>	N/A
<b>** Total</b>	<b>\$7,753.00</b>

**Additional/Return Premium for Endorsement :** ( \$142.00 )

\*\*INCLUDES PREMIUM, IF ANY, FOR TERRORISM; REFER TO DISCLOSURE NOTICE

Countersigned \_\_\_\_\_ By \_\_\_\_\_

10 Pay - 20% Down

Group Number ZCL



SUPERIOR KNIFE LLC

ZBC D713544 01

**ACRISURE LLC DBA PRESIDIO**

This supersedes any previous declaration bearing  
the same policy number for this policy period

**Endorsement Recap**

Endorsement Number: 1 Effective: 11/01/2019

**Reason for Endorsement:**

Multiple Changes

1. Amend mailing address, delete loc#02 and Delete Loc#01

**Named Insured Changes**

<u>Detail</u>	<u>Chg Type</u>	<u>Value</u>
Address 2	Amended	1281 ARTHUR AVE

**Forms And Endorsement Added / Deleted / Amended**

<u>Form Number</u>	<u>Edition Date</u>	<u>Detail</u>	<u>Chg Type</u>	<u>Value</u>
CP 04 11	10/12	Property	Deleted	Protective Safeguards

**Location Address Changes**

<u>ST</u>	<u>LOC</u>	<u>Detail</u>	<u>Chg Type</u>	<u>Value</u>
IL	1	Location	Deleted	
		Address 1		1225 ARTHUR AVE
		City		Elk Grove Village
		Zip Code		60007
IL	2	Location	Deleted	
		Address 1		8120 CENTRAL PARK AVE
		City		Skokie
		Zip Code		60076

**Commercial Property Changes**





SUPERIOR KNIFE LLC

ZBC D713544 01

ACRISURE LLC DBA PRESIDIO

**Policy Level**

<b><u>LOC</u></b>	<b><u>BLDG</u></b>	<b><u>Coverage</u></b>	<b><u>Detail</u></b>	<b><u>Chg Type</u></b>	<b><u>Value</u></b>
		Emergency Event Management	<b>Premium</b>	Amended	\$19.00
		Gold Property Broadening Endorsement	<b>Premium</b>	Amended	\$545.00

**Building Level**

2	1		Building	Deleted	
2	1	Contents All Inclusive		Deleted	

**Inland Marine Changes****Building Level**

<b><u>LOC</u></b>	<b><u>BLDG</u></b>	<b><u>Coverage</u></b>	<b><u>Detail</u></b>	<b><u>Chg Type</u></b>	<b><u>Value</u></b>
2	1	Misc Property Floaters		Deleted	
3	1	Misc Property Floaters		Added	
			Limit of Insurance		\$15,000
			Deductible		\$1,000
			Reporting Form		Non-Reporting
			<b>Premium</b>		\$150.00

# Exhibit C

**AGENT\*\*\*\*\***

1309516

ACRISURE LLC DBA PRESIDIO  
55 SHUMAN BLVD STE 900  
NAPERVILLE IL 60563

**AGENT\*\*\*\*\***



## **Customer Notice of Privacy Policy and Producer Compensation Practices Disclosures**

### **Privacy Policy Disclosure**

#### **Collection of Information**

We collect personal information so that we may offer quality products and services. This information may include, but is not limited to, name, address, Social Security number, and consumer reports from consumer reporting agencies in connection with your application for insurance or any renewal of insurance. For example, we may access driving records, insurance scores or health information. Our information sources will differ depending on your state and/or the product or service we are providing to you. This information may be collected directly from you and/or from affiliated companies, non-affiliated third parties, consumer reporting agencies, medical providers and third parties such as the Medical Information Bureau.

We, and the third parties we partner with, may track some of the web pages you visit through cookies, pixel tagging or other technologies. We currently do not process or comply with any web browser's "do not track" signals or similar mechanisms that request us to take steps to disable online tracking. For additional information regarding online privacy, please see our online privacy statement, located at [www.hanover.com](http://www.hanover.com).

#### **Disclosure of Information**

We may disclose non-public, personal information you provide, as required to conduct our business and as permitted or required by law. We may share information with our insurance company affiliates or with third parties that assist us in processing and servicing your account. We also may share your information with regulatory or law enforcement agencies, reinsurers and others, as permitted or required by law.

Our insurance companies may share information with their affiliates, but will not share information with non-affiliated third parties who would use the information to market products or services to you.

Our standards for disclosure apply to all of our current and former customers.

#### **Safeguards to Protect Your Personal Information**

We recognize the need to prevent unauthorized access to the information we collect, including information held in an electronic format on our computer systems. We maintain physical, electronic and procedural safeguards intended to protect the confidentiality and integrity of all non-public, personal information, including but not limited to social security numbers, driver's license numbers and other personally identifiable information.

#### **Internal Access to Information**

Access to personal, non-public information is limited to those people who need the information to provide our customers with products or services. These people are expected to protect this information from inappropriate access, disclosure and modification.

#### **Consumer Reports**

In some cases, we may obtain a consumer report in connection with an application for insurance. Depending on the type of policy, a consumer report may include information about you or your business, such as:

- character, general reputation, personal characteristics, mode of living;
- credit history, driving record (including records of any operators who will be insured under the policy); and/or
- an appraisal of your dwelling or place of business that may include photos and comments on its general condition.

#### **Access to Information**

Upon written request, we will inform you if we have ordered an investigative consumer report. You have the right to make a written request within a reasonable period for information concerning the nature and scope of the report and to be interviewed as part of its preparation. You may obtain a copy of the report from the reporting agency and, under certain circumstances, you may be entitled to a copy at no cost.

You also may review certain information we have about you or your business in our files. To review information we maintain in our files about you or your business, please write to us, providing your complete name, address and policy number(s), and indicating specifically what you would like to see. If you request actual copies of your file, there may be a nominal charge.

We will tell you to whom we have disclosed the information within the two years prior to your request. If there is not a record indicating that the information was provided to another party, we will tell you to whom such information is normally disclosed.



There is information that we cannot share with you. This may include information collected in order to evaluate a claim under an insurance policy, when the possibility of a lawsuit exists. It may also include medical information that we would have to forward to a licensed medical doctor of your choosing so that it may be properly explained.

#### **Correction of Information**

If after reviewing your file you believe information is incorrect, please write to the consumer reporting agency or to us, whichever is applicable, explaining your position. The information in question will be investigated. If appropriate, corrections will be made to your file and the parties to whom the incorrect information was disclosed, if any, will be notified. However, if the investigation substantiates the information in the file, you will be notified of the reasons why the file will not be changed. If you are not satisfied with the evaluation, you have the right to place a statement in the file explaining why you believe the information is incorrect. We also will send a copy of your statement to the parties, if any, to whom we previously disclosed the information and include it in any future disclosures.

#### **Our Commitment to Privacy**

In the insurance and financial services business, lasting relationships are built upon mutual respect and trust. With that in mind, we will periodically review and revise our privacy policy and procedures to ensure that we remain compliant with all state and federal requirements. If any provision of our privacy policy is found to be non-compliant, then that provision will be modified to reflect the appropriate state or federal requirement. If any modifications are made, all remaining provisions of this privacy policy will remain in effect. For more detailed information about our customer privacy policy (including any applicable state-specific policies) and our online privacy statement, visit our Web site, located at [www.hanover.com](http://www.hanover.com).

#### **Further Information**

If you have questions about our customer privacy policy (including any applicable state-specific policies) or our online privacy statement, or if you would like to request information we have on file, please write to us at our Privacy Office, N435, The Hanover Insurance Group, Inc., 440 Lincoln Street, Worcester, MA 01653. Please provide your complete name, address and policy number(s). A copy of our Producer Compensation Disclosure is also available upon written request addressed to the attention of the Corporate Secretary, N435, The Hanover Insurance Group, 440 Lincoln Street, Worcester, MA 01653.

#### **Producer Compensation Disclosure**

Our products are sold through independent agents and brokers, often referred to as "Producers." We may pay Producers a fixed commission for placing and renewing business with our company. We may also pay additional commission and other forms of compensation and incentives to Producers who place and maintain their business with us. Details of our Producer compensation practices may be found at [www.hanover.com](http://www.hanover.com).

This notice is being provided on behalf of the following Hanover Companies: The Hanover Insurance Group, Inc. - Allmerica Financial Alliance Insurance Company - Allmerica Financial Benefit Insurance Company - Allmerica Plus Insurance Agency, Inc. - Citizens Insurance Company of America - Citizens Insurance Company of Illinois - Citizens Insurance Company of the Midwest - Citizens Insurance Company of Ohio - Citizens Management, Inc. - AIX Ins. Services of California, Inc.- Campania Insurance Agency Co. Inc.- Campmed Casualty & Indemnity Co. Inc. - Chaucer Syndicates Limited- Educators Insurance Agency, Inc.- Hanover Specialty Insurance Brokers, Inc. - The Hanover American Insurance Company - The Hanover Insurance Company - The Hanover New Jersey Insurance Company - The Hanover National Insurance Company - Hanover Lloyd's Insurance Company - Massachusetts Bay Insurance Company - Opus Investment Management, Inc. - Professionals Direct Insurance Services, Inc. -Professional Underwriters Agency, Inc.- Verlan Fire Insurance Company - Nova Casualty Company - AIX Specialty Insurance Company.

THIS NOTICE IS PROVIDED IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS NOTICE DOES NOT GRANT COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF COVERAGE UNDER THE POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

### Schedule

<b>Disclosure of Premium:</b>	
Total Terrorism Premium	<b>\$ 121</b>
Fire Following Premium	<b>\$ 33</b>
Other than Fire Following Premium	<b>\$ 88</b>

### Disclosure of Terrorism Coverage Available

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from "acts of terrorism" defined in Section 102(1) of the Act as follows:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

The premium charged for this coverage is provided in the Schedule above and does not include any charges for the portion of loss that may be covered by the Federal Government as described below.

Your policy may contain other exclusions which could affect your coverage, such as an exclusion for Nuclear Events or Pollution. **Please read your policy carefully.**

### Note for Commercial Property or Commercial Inland Marine Policyholders in Standard Fire States:

In your state, a terrorism exclusion makes an exception for (and therefore provides coverage for) fire losses resulting from an act of terrorism. If you reject the offer of terrorism coverage, therefore, that rejection does not apply to fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy. The additional premium just for such fire coverage is shown in the Schedule above.

### Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.



### Cap on Insurer Participation in Payment of Terrorism Losses

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers' liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

### Rejection of Terrorism Insurance Coverage

- ☐ I decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

---

Applicant/Policyholder Signature

---

Print Name

---

Date

---

Citizens Insurance Company Of America  
Insurance Company

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ZBC D713544 02

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Quote or Policy Number



ZBC D713544 02

**Citizens Insurance Company of America (A Stock Company)**  
**808 North Highlander Way, Howell, MI 48843-1070**  
**Commercial Line Policy**  
**Common Declarations**

CM

Policy Number	Policy Period		Coverage is Provided in the:	Agency Code
	From	To		
ZBC D713544 02	10/01/2020	10/01/2021	Citizens Insurance Company of America	1309516

**Named Insured and Address :****Agent :**

SUPERIOR KNIFE LLC 1281 ARTHUR AVE ELK GROVE VILLAGE IL 60007	ACRISURE LLC DBA PRESIDIO  55 SHUMAN BLVD STE 900 NAPERVILLE IL 60563
---	--

**Branch :** Chicago Branch Office  
**Policy Period :** **From** 10/01/2020 **To** 10/01/2021  
12:01 A.M. Standard Time at Your Mailing Address Shown Above.  
**Business Description:** Knife Sharpening Company  
**Legal Entity:** Limited Liability Corporation

In Consideration of the premium, insurance is provided the Named Insured with respect to those premises described in the attached schedule(s) for which a specific limit of insurance is shown. This is subject to all terms of this policy including Common Policy Conditions. Coverage Parts, Forms and Endorsements may be subject to adjustment and/or a policy minimum premium.

<b>Commercial Property Coverage</b>	\$2,838.00
<b>Commercial General Liability Coverage</b>	\$4,392.00
<b>Cyber Liability Coverage</b>	\$112.00
<b>Commercial Inland Marine Coverage</b>	\$263.00
<b>Commercial Crime Coverage</b>	Not Covered
<b>Commercial Auto Coverage</b>	Not Covered
<b>Total Surcharges Premium</b>	N/A
<b>Additional Premium For Policy Minimum</b>	N/A
<b>** Total</b>	<b>\$7,605.00</b>

\*\*INCLUDES PREMIUM, IF ANY, FOR TERRORISM; REFER TO DISCLOSURE NOTICE

Countersigned \_\_\_\_\_ By \_\_\_\_\_

10 Pay - 20% Down



SUPERIOR KNIFE LLC

ZBC D713544 02

ACRISURE LLC DBA PRESIDIO

Group Number ZCL



SUPERIOR KNIFE LLC

ZBC D713544 02

ACRISURE LLC DBA PRESIDIO

### Locations of All Premises You Own, Rent or Occupy

#### Location: 1

6235 W. Howard Steet  
Niles IL  
60714

### Forms Applicable to all Coverage Parts:

\*Asterisk denotes new or changed form

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
331-0053	08/16	Illinois Inquiry Notice
401-1337	02/16	Trade Or Economic Sanctions Endorsement
* 401-1374	01/15	Disclosure Pursuant To Terrorism Risk Insurance Act
* 401-1377	06/20	Company Address Listing
* 401-1504	01/20	Cap On Losses From Certified Acts Of Terrorism
* 401-1505	01/20	Exclusion - Punitive Damages Related To A Certified Act Of Terrorism
IL 00 03	09/08	Calculation of Premium
IL 00 17	11/98	Common Policy Conditions
IL 00 21	09/08	Nuclear Energy Liability Exclusion Endorsement
IL 01 47	09/11	IL Changes - Civil Union
IL 01 62	10/13	Illinois Changes - Defense Costs
IL 02 84	12/05	Illinois Changes - Cancellation And Nonrenewal
IL 09 35	07/02	Exclusion of Certain Computer-Related Losses
IL 09 52	01/15	Cap On Losses From Certified Acts of Terrorism
SIG 11 00	11/17	Signature Page



SUPERIOR KNIFE LLC

ZBC D713544 02

ACRISURE LLC DBA PRESIDIO

### Commercial Property Coverage Part Declaration

**Total Property Premium**

\$2,838.00

Coverages Provided:

Insurance at the Described Premises applies only for the coverage shown below:

<u>LOC</u>	<u>BLDG</u>
------------	-------------

1	1	<b>Occupancy:</b>	Cutlery (not powered) and Flatware Mfg.
		<b>Territory:</b>	080
		<b>Construction:</b>	Noncombustible
		<b>Protection Class:</b>	3

<u>LOC</u>	<u>BLDG</u>	<u>Coverage:</u>	<u>Cause of Loss:</u>	<u>Premiums:</u>
1	1	<b>Contents All Inclusive</b>	Special	\$1,452.00
		<b>Limit Of Insurance:</b>	\$1,200,000.00	
		<b>Replacement Cost</b>		

		<b>Coinsurance:</b>	80%	
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<u>LOC</u>	<u>BLDG</u>	<u>Coverage:</u>	<u>Cause of Loss:</u>	<u>Premiums:</u>
1	1	<b>Business Income</b>	Special	\$335.00
		<b>Limit Of Insurance:</b>	\$500,000.00	
		<b>Coinsurance</b>	80%	
		<b>Extended Period of Indemnity</b>	60 Days Included	
		<b>Business Income Time Deductible</b>	72 Hours	

<u>LOC</u>	<u>BLDG</u>	<u>DED BY LOC</u>	<u>APPLICABLE DEDUCTIBLE</u>	
1	1		<b>Windstorm/Hail Deductible</b>	\$1,000.00
			<b>Theft Deductible:</b>	\$1,000.00
			<b>Other Deductible:</b>	\$1,000.00



SUPERIOR KNIFE LLC

ZBC D713544 02

ACRISURE LLC DBA PRESIDIO

### Commercial Property Coverage Part Declaration

**Additional Premium for Property Minimum :** N/A

<b><u>Miscellaneous/Optional Property Coverages:</u></b>	<b><u>PREMIUM</u></b>
Data Breach	\$55.00
Boiler / Machinery / Equipment Breakdown	\$228.00
Emergency Event Management Coverage	\$19.00
Terrorism Premium	\$55.00
Gold Property Broadening Endorsement	\$545.00
Manufacturing Property Broadening Endorsement	\$149.00





SUPERIOR KNIFE LLC

ZBC D713544 02

ACRISURE LLC DBA PRESIDIO

### Forms Applicable to Property Coverage Parts:

\*Asterisk denotes new or changed form

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
411-0610	04/14	Emergency Event Management
411-0669	01/15	Data Breach Coverage Form
411-0679	04/10	Associates And Family Members Additional Coverage Endorsement
411-0681	12/09	Identity Theft Resolution Services
411-0793	04/14	Gold Property Broadening Endorsement
411-0815	04/14	Manufacturing Property Broadening Endorsement
411-0926	05/17	Illinois Changes - Data Breach Coverage Form
451-0038	11/16	Equipment Breakdown Coverage (Including Electronic Circuitry Impairment)
* 451-0039	11/16	Commercial Property Coverage Part Equipment Breakdown Coverage Schedule
CP 00 10	10/12	Building and Personal Property Coverage Form
CP 00 30	10/12	Business Income (And Extra Expense) Coverage Form
CP 00 90	07/88	Commercial Property Conditions
CP 01 40	07/06	Exclusion of Loss Due to Virus or Bacteria
CP 01 49	06/07	Illinois Changes - Artificially Generated Electrical Current Exclusion
* CP 04 11	10/12	Protective Safeguards
CP 10 30	10/12	Cause of Loss - Special Form
IL 01 18	02/17	Illinois Changes



SUPERIOR KNIFE LLC

ZBC D713544 02

ACRISURE LLC DBA PRESIDIO

## Commercial General Liability Coverage Part Declaration

Audit Frequency: Annual

**Limits of Insurance:**

<b>General Aggregate Limit</b>	\$2,000,000
<b>Products-Completed Operations Aggregate Limit</b>	\$2,000,000
<b>Each Occurrence Limit</b>	\$1,000,000
<b>Personal and Advertising Injury Limit</b>	\$1,000,000
<b>Damage to Premises Rented to You Limit</b>	\$100,000
<b>Medical Expense Limit, Any One Person</b>	\$10,000
<b>General Liability Deductible:</b>	
<b>Total Advance Commercial General Liability Premium</b>	\$4,392.00

THIS POLICY CONTAINS AGGREGATE LIMITS; REFER TO SECTION III - LIMITS OF INSURANCE FOR DETAILS

### Forms Applicable to General Liability Coverage Parts:

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
421-0022	12/90	Asbestos Liability Exclusion
421-0330	06/15	Exclusion Tobacco And Electronic Cigarette Liability
421-2915	06/15	Commercial General Liability Broadening Endorsement
421-2916	06/15	Commercial General Liability Enhancement Endorsement
CG 00 01	04/13	Commercial General Liability Coverage Form - Occurrence
CG 02 00	01/18	Illinois Changes - Cancellation and Nonrenewal
CG 04 35	12/07	Employee Benefits Liability Coverage
CG 21 06	05/14	Exclusion - Access or Disclosure of Confidential or Personal Information and Data-Related Liability - With Limited Bodily Injury Exception
CG 21 47	12/07	Employment - Related Practices Exclusion
CG 21 55	09/99	Total Pollution With a Hostile Fire Exception
CG 21 67	12/04	Fungi or Bacteria Exclusion
CG 21 70	01/15	Cap On Losses From Certified Acts of Terrorism
CG 21 76	01/15	Exclusion of Punitive Damages Related To A Certified Act Of Terrorism
CG 21 96	03/05	Silica or Silica-Related Dust Exclusion



SUPERIOR KNIFE LLC

ZBC D713544 02

ACRISURE LLC DBA PRESIDIO

**Commercial General Liability Classification Schedule Declaration**

<u>LOC</u>	<u>ST</u>	<u>TERR</u>	<u>CODE</u>	<u>SUBLINE</u>	<u>PREMIUM BASIS</u>	<u>PER</u>	<u>RATE</u>	<u>ADVANCE PREMIUM</u>
1	IL	506	51999	334	\$2,673,980 Receipts (Sales)	1,000	.27	\$722.00
1	IL	506	51999	336	\$2,673,980 Receipts (Sales)	1,000	.92	\$2,460.00

Cutlery (not powered) and Flatware Mfg.

<u>LOC</u>	<u>ST</u>	<u>TERR</u>	<u>CODE</u>	<u>SUBLINE</u>	<u>PREMIUM BASIS</u>	<u>PER</u>	<u>RATE</u>	<u>ADVANCE PREMIUM</u>
1	IL	506	12362	334	\$914,752 Receipts (Sales)	1,000	.213	\$195.00
1	IL	506	12362	336	\$914,752 Receipts (Sales)	1,000	.431	\$394.00

Distributors no food or drink

**Miscellaneous/Optional General Liability Coverages****Advance Premium**

Employee Benefits Coverage	\$316.00
Terrorism Premium	\$55.00
CGL Enhancement	\$250.00

Additional Premium for Coverage Minimum: N/A

**Total Advance General Liability Premium** \$4,392.00

<b>Subline</b>	<b>334</b>	<b>Premises and Operations</b>
<b>Subline</b>	<b>336</b>	<b>Products and/or Completed Operations</b>



## CYBER DECLARATIONS

### CLAIMS-MADE WARNING

THIS COVERAGE PART INCLUDES COVERAGES WRITTEN ON A CLAIMS-MADE BASIS SUBJECT TO ITS TERMS. CLAIMS-MADE COVERAGE APPLIES ONLY TO "CLAIMS" FIRST MADE AGAINST THE "INSUREDS" DURING THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD. PLEASE READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE AND COVERAGE RESTRICTIONS.

### "DEFENSE EXPENSES" WITHIN LIMITS AND DEDUCTIBLE

THE LIMITS OF LIABILITY WILL BE REDUCED AND CAN BE COMPLETELY EXHAUSTED BY THE PAYMENT OF COVERED "DEFENSE EXPENSES". IN THE EVENT THAT THE LIMIT OF LIABILITY IS EXHAUSTED, THE "INSURER" SHALL NOT BE LIABLE FOR "DEFENSE EXPENSES", JUDGMENTS OR SETTLEMENTS IN EXCESS OF THE APPLICABLE LIMIT. INSURING AGREEMENTS A. AND B. ARE SUBJECT TO DEDUCTIBLE AMOUNTS STATED IN THE DECLARATIONS. AMOUNTS INCURRED FOR "DEFENSE EXPENSES" ARE SUBJECT TO THE APPLICABLE DEDUCTIBLE.

Policy Number	Coverage is provided by:
ZBC D713544 02	<b>Citizens Insurance Company of America</b> <i>(A Stock Company)</i> 808 North Highlander Way Howell, MI 48843-1070
<b>Item 1. NAMED INSURED:</b>	
SUPERIOR KNIFE LLC 1281 ARTHUR AVE ELK GROVE VILLAGE IL 60007	
<b>Item 2. POLICY PERIOD</b>	
Inception Date: 10/01/2020                      Expiration Date: 10/01/2021 (12:01 AM standard time at the address shown in <b>Item 1.</b> )	
<b>Item 3. AGGREGATE LIMIT OF LIABILITY FOR THIS COVERAGE PART</b>	
Maximum Aggregate Limit of Liability	\$50,000



<b>Item 4. INSURING AGREEMENTS</b>			
<b>Prior and Pending Proceedings Date:</b>		10/01/2018	
<b>Retroactive Date:</b>		10/01/2018	
<b>Insuring Agreement</b>	<b>Limits of Liability</b>	<b>Deductible</b>	<b>Premium</b>
A. Privacy and Security Liability	\$50,000	\$5,000	\$56
B. Cyber Media Liability	\$50,000	\$5,000	\$56
<b>Item 5. PREMIUM FOR COVERAGE PART</b>			\$112
<b>Item 6. FORMS OR ENDORSEMENTS ATTACHED AT ISSUE:</b>			
<b><u>Form Number</u></b>	<b><u>Edition Date</u></b>	<b><u>Name</u></b>	
850-0001	01/15	Cyber Coverage Part	
850-0025	01/15	Illinois Amendatory Endorsement	



SUPERIOR KNIFE LLC

ZBC D713544 02

ACRISURE LLC DBA PRESIDIO

**Inland Marine Declaration****Total Inland Marine Premium****\$263.00**

Coverages Provided:

Insurance at the Described Premises applies only for the coverage shown below:

<u>LOC</u>	<u>BLDG</u>	<u>Type of Coverage</u>	<u>Premium</u>
1	1	Misc Property Floaters	\$150.00
		Limit	\$15,000.00
		Deductible	\$1,000.00
		Coinsurance	See Form
		Schedule	See Form
		Reporting Form	Non-Reporting

**Additional Premium for Inland Marine Minimum:**

N/A

**Miscellaneous/Optional Inland Marine Coverages:****PREMIUM**

Contractors' Equipment Coverage

\$102.00

Terrorism Premium

\$11.00





SUPERIOR KNIFE LLC

ZBC D713544 02

ACRISURE LLC DBA PRESIDIO

### Forms Applicable to Inland Marine Coverage Parts:

\*Asterisk denotes new or changed form

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
CL 01 20	10/08	Amendatory Endorsement - Illinois
CL 06 00	01/15	Certified Terrorism Loss
CL 07 00	10/06	Virus OR Bacteria Exclusion
CM 01 50	03/10	Illinois Changes - Artificially Generated Current Exclusion
IM 20 2	07/05	Deductible Waiver for Lojack Brand Protection System
IM 20 27	08/09	Amendatory Endorsement - Illinois
IM 70 00	04/04	Contractors' Equipment Coverage
IM 70 05	04/04	Schedule of Coverages - Contractors Equipment Coverage
* IM 70 31	04/04	Equipment Schedule - Contractors' Equipment - Valuation Basis
IM 75 00	10/09	Scheduled Property Floater
IM 75 06	10/09	Schedule of Coverages - Scheduled Property Floater

THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

**In Witness Whereof**, this company has caused this policy to be signed by its President and Secretary and countersigned on the declarations page, where required, by a duly authorized agent of the company.

A handwritten signature in black ink, appearing to read "John C. Roche". The signature is fluid and cursive, with the first name "John" being more prominent than the last name "Roche".

John C. Roche  
President

A handwritten signature in black ink, appearing to read "Charles F. Cronin". The signature is cursive, with the first name "Charles" and the last name "Cronin" being clearly legible.

Charles Frederick Cronin  
Secretary

## **ILLINOIS INQUIRY NOTICE**

In accordance with Illinois statute 215 ILCS 5/143c, the following information is provided:

This notice is to advise you that should any complaints arise regarding this insurance, you may contact the following:

The Hanover Insurance Company, Massachusetts Bay Insurance Company, Citizens Insurance Company of America, Citizens Insurance Company of Midwest, Citizens Insurance Company of Illinois, Allmerica Financial Benefit Insurance Company, Allmerica Financial Alliance Insurance Company and The Hanover American Insurance Company, complaint department for policies written through agencies located in the state of Illinois is:

**Complaint Department  
The Hanover Insurance Group  
333 W. Pierce Road  
Suite 300  
Itasca, Illinois 60143  
1-800-685-5669**

The address of the Consumer Division or Public Services Section of the Illinois Department of Insurance is:

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
320 W. Washington Street  
Springfield, Illinois 62767  
Or**

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
122 S Michigan Ave 19<sup>th</sup> Floor  
Chicago, IL 60603  
1-312-814-2420**

**Or**

**<http://insurance.illinois.gov>**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **TRADE OR ECONOMIC SANCTIONS ENDORSEMENT**

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

## IMPORTANT INFORMATION ABOUT YOUR INSURANCE COMPANY

The Home Office address for the Insurance Company shown on the policy Declarations page is:

**Allmerica Financial Alliance Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**The Hanover American Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Allmerica Financial Benefit Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**The Hanover Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Campmed Casualty & Indemnity Company, Inc.**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**The Hanover Casualty Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of America**

*(A Stock Company)*

808 North Highlander Way  
Howell, MI 48843-1070

**Massachusetts Bay Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of Illinois**

*(A Stock Company)*

333 West Pierce Road, Suite 300  
Itasca, IL 60143-3114

**The Hanover New Jersey Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of the Midwest**

*(A Stock Company)*

9229 Delegates Row, Suite 100  
Indianapolis, IN 46240-3824

**Verlan Fire Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of Ohio**

*(A Stock Company)*

4400 Easton Commons Way, Suite 125  
Columbus, OH 43219-6223

**Nova Casualty Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

CONDOMINIUM, CO OP AND ASSOCIATION DIRECTORS AND OFFICERS LIABILITY  
CYBER LIABILITY COVERAGE PART  
DATA BREACH COVERAGE PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE FORM  
EMPLOYMENT PRACTICES LIABILITY  
RELIGIOUS INSTITUTIONS DIRECTORS, OFFICERS AND TRUSTEES LIABILITY COVERAGE PART  
SCHOOL AND EDUCATORS LEGAL LIABILITY COVERAGE PART

**A.** The following definition is added:

**"Certified act of terrorism"** means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism under the federal Terrorism Risk Insurance ACT, as amended (TRIA). The criteria contained in TRIA for a "certified act of terrorism" requires that the act must result in insured losses in excess of \$5,000,000 in the aggregate, attributable to all types of insurance subject to TRIA. The criteria also requires that the act must be a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**B.** The following Cap on Losses from Certified Acts of Terrorism is added:

If aggregate insured losses attributable to terrorist acts certified under TRIA exceed \$100,000,000,000 in a calendar year (January 1 through December 31) and we have met, or will meet, our insurer deductible under TRIA, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100,000,000,000, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**C.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy, such as losses excluded by the War exclusion.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

CONDOMINIUM, CO OP AND ASSOCIATION DIRECTORS AND OFFICERS LIABILITY  
CYBER LIABILITY COVERAGE PART  
DATA BREACH COVERAGE PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE FORM  
EMPLOYMENT PRACTICES LIABILITY  
RELIGIOUS INSTITUTIONS DIRECTORS, OFFICERS AND TRUSTEES LIABILITY COVERAGE PART  
SCHOOL AND EDUCATORS LEGAL LIABILITY COVERAGE PART

A. The following exclusion is added:

**Punitive Damages Related to a Certified Act of Terrorism**

Damages arising, directly or indirectly, out of a "certified act of terrorism" which are awarded as punitive damages.

B. The following definition is added:

**"Certified act of terrorism"** means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" requires that the act must

result in insured losses in excess of \$5,000,000 in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act. The criteria also requires that the act must be a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Policy.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

IL 00 03 09 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CALCULATION OF PREMIUM**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or

- b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

IL 00 21 09 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**1. The insurance does not apply:**

**A. Under any Liability Coverage, to "bodily injury" or "property damage":**

- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.**

**C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:**

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

**2. As used in this endorsement:**

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

- (c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

IL 01 47 09 11

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES – CIVIL UNION**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
 FARM COVERAGE PART  
 FARM UMBRELLA LIABILITY POLICY  
 LIQUOR LIABILITY COVERAGE PART  
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCT WITHDRAWAL COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
 UNDERGROUND STORAGE TANK POLICY

**A. The term "spouse" is replaced by the following:**

Spouse or party to a civil union recognized under Illinois law.

**B. Under the Commercial Auto Coverage Part, the term "family member" is replaced by the following:**

"Family member" means a person related to the:

1. Individual Named Insured by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of such Named Insured's household, including a ward or foster child; or
2. Individual named in the Schedule by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of the individual's household, including a ward or foster child, if the Drive Other Car Coverage – Broadened Coverage For Named Individual Endorsement is attached.

**C. With respect to coverage for the ownership, maintenance, or use of "covered autos" provided under the Commercial Liability Umbrella Coverage Part, the term "family member" is replaced by the following:**

"Family member" means a person related to you by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of your household, including a ward or foster child.



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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES – DEFENSE COSTS**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART – LEGAL LIABILITY COVERAGE FORM  
 COMMERCIAL PROPERTY COVERAGE PART – MORTGAGEHOLDERS ERRORS AND OMISSIONS COVERAGE FORM  
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
 FARM COVERAGE PART  
 FARM UMBRELLA LIABILITY POLICY  
 LIQUOR LIABILITY COVERAGE PART  
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCT WITHDRAWAL COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
 UNDERGROUND STORAGE TANK COVERAGE PART

**A.** The provisions of Paragraph **B.** are added to all Insuring Agreements that set forth a duty to defend under:

1. Section **I** of the Commercial General Liability, Commercial Liability Umbrella, Employment-related Practices Liability, Farm, Liquor Liability, Owners And Contractors Protective Liability, Pollution Liability, Products/Completed Operations Liability, Product Withdrawal, Medical Professional Liability, Railroad Protective Liability, Underground Storage Tank Coverage Parts, Auto Dealers Coverage Form and the Farm Umbrella Liability Policy;
2. Section **II** under the Auto Dealers, Business Auto and Motor Carrier Coverage Forms;
3. Section **III** under the Auto Dealers and Motor Carrier Coverage Forms;
4. Section **A.** Coverage under the Legal Liability Coverage Form; and

**5.** Coverage **C** – Mortgageholder's Liability under the Mortgageholders Errors And Omissions Coverage Form.

Paragraph **B.** also applies to any other provision in the policy that sets forth a duty to defend.

**B.** If we initially defend an insured ("insured") or pay for an insured's ("insured's") defense but later determine that the claim(s) is (are) not covered under this insurance, we will have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement for the defense costs under this provision will only apply to defense costs we have incurred after we notify you in writing that there may not be coverage, and that we are reserving our rights to terminate the defense and seek reimbursement for defense costs.

IL 02 84 12 05

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
FARM COVERAGE PART

- A.** The **Cancellation** Common Policy Condition is replaced by the following:

### **CANCELLATION**

1. The first Named Insured shown in the Declarations may cancel this policy by mailing to us advance written notice of cancellation.
2. If this policy has been in effect for 60 days or less, except as provided in Paragraphs **8.** and **9.** below, we may cancel this policy by mailing written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. If this policy has been in effect for more than 60 days, except as provided in Paragraphs **8.** and **9.** below, we may cancel this policy only for one or more of the following reasons:
  - a. Nonpayment of premium;
  - b. The policy was obtained through a material misrepresentation;
  - c. You have violated any of the terms and conditions of the policy;
  - d. The risk originally accepted has measurably increased;
  - e. Certification to the Director of Insurance of the loss of reinsurance by the insurer which provided coverage to us for all or a substantial part of the underlying risk insured; or
  - f. A determination by the Director that the continuation of the policy could place us in violation of the insurance laws of this State.

If we cancel this policy based on one or more of the above reasons except for nonpayment of premium, we will mail written notice at least 60 days before the effective date of cancellation. When cancellation is for nonpayment of premium, we will mail written notice at least 10 days before the effective date of cancellation.

4. We will mail our notice to you, any mortgagee or lienholder known to us and to the agent or broker.
5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
6. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
7. Our notice of cancellation will state the reason for cancellation.
8. **Real Property Other Than Residential Properties Occupied By 4 Families Or Less**

The following applies only if this policy covers real property other than residential property occupied by 4 families or less:

If any one or more of the following conditions exists at any building that is Covered Property in this policy, we may cancel this policy by mailing to you written notice of cancellation, by both certified and regular mail, if:

- a. After a fire loss, permanent repairs to the building have not started within 60 days of satisfactory adjustment of loss, unless the delay is due to a labor dispute or weather conditions.

b. The building has been unoccupied 60 or more consecutive days. This does not apply to:

- (1) Seasonal unoccupancy; or
- (2) Buildings under repair, construction or reconstruction, if properly secured against unauthorized entry.

c. The building has:

- (1) An outstanding order to vacate;
- (2) An outstanding demolition order; or
- (3) Been declared unsafe in accordance with the law.

d. Heat, water, sewer service or public lighting have not been connected to the building for 30 consecutive days or more.

The policy will terminate 10 days following receipt of the written notice by the named insured(s).

#### 9. Residential Properties Occupied By 4 Families Or Less

The following applies if this policy covers residential properties occupied by 4 families or less:

If this policy has been in effect for 60 days, or if this is a renewal policy, we may only cancel this policy for one or more of the following reasons:

- a. Nonpayment of premium;
- b. The policy was obtained by misrepresentation or fraud; or
- c. Any act that measurably increases the risk originally accepted.

If we cancel this policy based on one or more of the above reasons except for nonpayment of premium, we will mail written notice at least 30 days before the effective date of cancellation. When cancellation is for nonpayment of premium, we will mail written notice at least 10 days before the effective date of cancellation.

10. For insurance provided under the Commercial Property Coverage Part and the Capital Assets Program (Output Policy) Coverage Part, the following applies:

#### GRAIN IN PUBLIC GRAIN WAREHOUSES

(Not applicable to grain owned by the Commodity Credit Corporation)

The following applies only with respect to grain in public grain warehouses:

The first Named Insured or we may cancel this policy at any time by mailing to:

- a. The other; and

b. The Director of the Illinois Department of Agriculture (at its Springfield Office);  
60 days' written notice of cancellation.

B. The following is added:

#### NONRENEWAL

1. If we decide not to renew or continue this policy, we will mail you, your agent or broker and any mortgagee or lienholder known to us written notice, stating the reason for nonrenewal, at least 60 days before the end of the policy period. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.

2. The following provision applies only if this policy covers residential properties occupied by 4 families or less:

a. If this policy has been issued to you and in effect with us for 5 or more years, we may not fail to renew this policy unless:

- (1) The policy was obtained by misrepresentation or fraud;
- (2) The risk originally accepted has measurably increased; or
- (3) You received 60 days' notice of our intent not to renew as provided in 1. above.

b. If this policy has been issued to you and in effect with us for less than 5 years, we may not fail to renew this policy unless you received 30 days' notice as provided in 1. above.

C. The following is added:

#### MAILING OF NOTICES

We will mail cancellation and nonrenewal notices to the last addresses known to us. Proof of mailing will be sufficient proof of notice.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES**

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
    - a.** Any of the following, whether belonging to any insured or to others:
      - (1)** Computer hardware, including microprocessors;
      - (2)** Computer application software;
      - (3)** Computer operating systems and related software;
      - (4)** Computer networks;
      - (5)** Microprocessors (computer chips) not part of any computer system; or
      - (6)** Any other computerized or electronic equipment or components; or
    - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
  - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
  - 2.** Under the Commercial Property Coverage Part:
    - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
    - b.** In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
STANDARD PROPERTY POLICY

### **A. Cap On Certified Terrorism Losses**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

### **B. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EMERGENCY EVENT MANAGEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM – ACTUAL LOSS SUSTAINED  
 CAUSES OF LOSS – SPECIAL FORM

Other words and phrases that appear in quotation marks have special meaning. Refer to **H. Definitions**.

The Building And Personal Property Coverage Form, Business Income (and Extra Expense) Coverage Form, Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained, and the Causes Of Loss – Special Form are amended by the addition of the Scheduled Coverages listed below. Unless otherwise noted, each Limit of Insurance shown in the Schedule is the most we will pay for the total applicable covered loss or damage resulting from a “covered emergency” regardless of the number of “covered locations” involved. The provisions of the Building and Personal Property Coverage Form, Business Income (and Extra Expense) Coverage Form, Business Income (and Extra Expense) Coverage Form Actual Loss Sustained, and the Causes of Loss – Special Form apply to the Scheduled Coverages unless specifically amended by this endorsement. If any loss or damage covered under this endorsement is also covered under any other provisions of this policy, or if more than one coverage under this endorsement applies to a specific type of loss or damage sustained, you may choose only one of the applicable coverages to apply to that loss. The most we will pay in such case is the Limit of Insurance applicable to the coverage you chose.

### Schedule of Coverages

Coverage	Limit of Insurance
<b>A.</b> Emergency Event Communication Expense	10,000
<b>B.</b> Emergency Event Business Income and Extra Expense	10,000
<b>C.</b> Post Emergency Event Expense - Per Person Limit	10,000
- Aggregate Limit	10,000

Coverage	Waiting Period
Emergency Event Communication Expense	None
Emergency Event Business Income	Follows the waiting period in the <b>BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM – ACTUAL LOSS SUSTAINED</b>
Emergency Event Extra Expense	None
Post Emergency Event Expense	None

#### **A. “Emergency Event Communication Expense”**

For the purpose of coverage under this endorsement only, the following is added to **A. Coverage**, Paragraph 4. **Additional Coverages** of the Building and Personal Property Coverage Form CP 00 10:

#### **“Emergency Event Communication Expense”**

We will pay necessary “emergency event communication expense” incurred by you resulting from a “covered emergency” at a “covered

location” for the sixty (60) consecutive days after a “covered emergency”.

This Additional Coverage does not apply to:

- (1) Any costs related to communications, advice or strategy development, that address continuing publicity or image concerns for periods occurring beyond the sixty (60) consecutive day period after a “covered emergency”, or
- (2) Communication-related expense dealing with mitigating negative publicity or restoring your



enterprise's image at any location other than the "covered location" at which the "covered emergency" occurred.

**B. Emergency Event Business Income and Extra Expense – Optional Coverage**

For the purpose of coverage under this endorsement only, when the Business Income (and Extra Expense) Coverage Form CP 00 30, or the Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581 is made a part of this policy, the following replaces all provisions of the Business Income (and Extra Expense) Coverage Form CP 00 30 or the Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581.

**1. "Emergency Event Business Income" and Extended "Emergency Event Business Income" Coverage**

**a. "Emergency Event Business Income"**

Subject to the Waiting Period shown in the Schedule of this endorsement, we will pay the actual loss of "emergency event business income" you sustain due to the necessary "suspension" of your "operations" during the "emergency event period of restoration". The "suspension" must be caused by or result from a "covered emergency" at your "covered location".

**b. Extended "Emergency Event Business Income"**

If the necessary "suspension" of your "operations" caused by or resulting from a "covered emergency" produces an "emergency event business income" loss payable under this endorsement, we will also pay the actual loss of "emergency event business income" you incur during the period that:

- (1) Begins on the date "operations" are resumed, or the date the "covered location" can be re-occupied by a tenant; and
- (2) Ends on the earlier of:
  - (a) The date you could reasonably restore your "operations" to a level which would generate the business income that would have existed had no "covered emergency" occurred; or
  - (b) The date you could reasonably have the "covered location" re-occupied by a tenant to a level that would generate the rental income which would have existed

if the "covered emergency" had not occurred; or

- (c) Thirty (30) consecutive days after the date determined in b. (1) above.

**c. Additional Conditions and Limitations – "Emergency Event Business Income" and Extended "Emergency Event Business Income"**

- (1) When alternative locations, whether or not owned by you, could have been used to mitigate any "Emergency Event Business Income" loss or Extended "Emergency Event Business Income" loss but were not, we will not pay more than what the calculable loss would have been had these other locations been used to mitigate the loss.
- (2) In the event that your coverage for loss of "Emergency Event Business Income" ends because it extends beyond the sixty (60) consecutive days provided after the "covered emergency", your coverage for Extended "Emergency Event Business Income" loss will commence only when and if you actually resume "operations" (or tenancy is re-established). When "operations" do not resume upon expiration of the sixty (60) consecutive day period, an interruption in your coverage for Business Income will occur between:
  - (a) The end of your "Emergency Event Business Income" coverage; and
  - (b) The start of your Extended "Emergency Event Business Income" coverage.
- (3) "Emergency Event Business Income" and Extended "Emergency Event Business Income" do not apply to loss of Business Income or loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the "covered emergency" in the area where the "covered locations" are located.

**d. Loss Determination - Business Income and Extended Business Income**

The amount of "emergency event business income" loss will be determined based on:

(1) The Net Income of the business at the "covered location" before the "covered emergency" occurred;

(2) The likely Net Income of the business at the "covered location" if no "covered emergency" occurred, but not including:

(a) Net Income earned due to increased sales or similar activity at other "covered locations" caused by the disruption of "operations" at the "covered location" where the "covered emergency" occurred; or

(b) Net Income that would have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the "covered emergency" on customers or other businesses; or

(c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the "covered emergency"; and

(3) Other relevant sources of information, including but not limited to:

(a) Your financial records and account procedures;

(b) Bills, invoices and other vouchers; and

(c) Deeds, liens or contracts.

## 2. "Emergency Event Extra Expense"

For the purpose of coverage under this endorsement only, when the Business Income (and Extra Expense) Coverage Form CP 00 30 or the Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581 is a part of this policy, the following applies:

a. We will pay reasonable and necessary "emergency event extra expense" caused by or resulting from a "covered emergency" at the "covered location" during the "emergency event period of restoration" to:

(1) Avoid or minimize the "suspension" of your business and to continue "operations" at the "covered location" or at temporary or replacement location(s). This includes but is not limited to temporary additional security, relocation expenses and

additional costs to equip and operate the temporary or replacement location; or

(2) Minimize the "suspension" of business if you cannot continue your "operations".

b. This coverage ends the earlier of:

(1) The date your "operations" are restored to a similar condition that would have existed had the "covered emergency" not occurred; or

(2) Sixty (60) consecutive days after the "covered emergency" event occurs.

c. "Emergency Event Extra Expense" does not include:

(1) ransom, extortion or other type of funds paid directly or indirectly to actual or alleged perpetrators causing, or threatening to cause, a "covered emergency"; or

(2) any reward funds.

3. **Resumption of Operations** – We will reduce the amount of:

a. "Emergency event business income" to the extent you can resume your "operations", in whole or in part, at the affected "covered location" or elsewhere; and

b. "Emergency event extra expense" loss to the extent you can return "operations" to normal and discontinue such "emergency event extra expense".

If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

## C. "Post Emergency Event Expense"

1. We will pay an "invitee's" "post emergency event expense" for sixty (60) consecutive days after the "covered emergency", subject to the Post Emergency Event – Per Person Limit of Insurance shown in the Schedule above.

2. Coverage is extended only to those "invitees" present at the affected "covered location" when the "covered emergency" occurred and whose treatment or expense arises directly from the trauma suffered from the "covered emergency".

3. The aggregate limit shown in the Schedule above is the most we will pay for the sum of all "post emergency event expense" in any policy period.

**D. Exclusions****1. Deleted Exclusions - Emergency Event Management Coverage Endorsement**

For the purpose of coverage under this endorsement only, the following exclusions under the Causes of Loss – Special Form CP 10 30 are deleted:

- a. **B.1.h. “Fungus”, Wet Rot, Dry Rot and Bacteria;**
- b. **B.2.h. Dishonest or Criminal Acts;**
- c. **B.3.b. Acts or Decisions;** and
- d. **B.3.c. (1) – (4) Faulty, Inadequate or Defective actions, activities or materials.**

**2. Additional Exclusions - Emergency Event Management Coverage Endorsement**

- a. For the purpose of coverage under this endorsement only, the following exclusions are added to **B. Exclusions**, Paragraph 1., Causes of Loss – Special Form CP 10 30:

We will not pay for loss or damage caused directly or indirectly by any of the following, regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- (1) Windstorm or hail;
- (2) Dishonest or criminal act by you, any of your partners, directors, officers or trustees whether:
  - (a) Acting alone or in collusion with each other or with any other party; or
  - (b) Whether or not occurring in the course and scope of employment, during the hours of employment or during your normal hours of operation.

- b. For the purpose of coverage under this endorsement only, the following exclusions are added to **B. Exclusions** of Causes of Loss – Special Form CP 10 30:

We will not pay for:

- (1) Any legal fees or costs, including but not limited to defense costs related to a claim or suit by a third party for bodily injury or property damage;
- (2) The cost to decontaminate, clean, repair, remediate, maintain or replace Covered Property;
- (3) Costs or expenses incurred by any person(s) who directly or indirectly instigated, threatened, funded,

perpetrated, participated, supported or was otherwise involved in the activities leading to the “covered emergency”; or

- (4) Any cost or expense reimbursable by a state or federal agency, or under workers compensation or similar laws.

- E. For the purpose of coverage under this endorsement only, **D. Deductible**, of the Building and Personal Property Coverage Form CP 00 10 does not apply.

**F. Loss Conditions**

- 1. For the purpose of coverage under this endorsement only, **E. Loss Conditions**, Paragraph 3. **Duties in The Event Of Loss Or Damage** of the Building and Personal Property Coverage Form CP 00 10 and **C. Loss Conditions**, Paragraph 2. **Duties in the Event of Loss** of the Business Income (and Extra Expense) Coverage Form CP 00 30 or Business Income (and Extra Expense) – Actual Loss Sustained 411-0581 are replaced by the following:

**Duties In The Event Of Loss**

- a. In the event of a “covered emergency” you must:

- (1) Notify law enforcement if a law may have been broken.
- (2) Give us notice of any “covered emergency” or event that is likely to lead to a “covered emergency” within forty-eight (48) hours of the time you, or any of your partners, directors, officers, trustees or employees with management or supervisory authority, first become aware of it.

Such notice must include, but is not limited to:

- (a) Specifics as to when, where and how the “covered emergency” occurred or is occurring;
- (b) The name, address and any other pertinent information pertaining to any injured persons including the cause, nature, location and extent of their injuries;
- (c) The name, address and any other pertinent information pertaining to:
  - (i) witnesses to the event, its origins or injuries to any person;
  - (ii) emergency responders; and
  - (iii) potential or known perpetrators;

- (d) Response activities undertaken by you or others to address the consequences of the "covered emergency"; and
  - (e) The nature and location of any physical damage to the "covered location" arising out of the "covered emergency" and the current repair status of such damage.
- (3) Take all reasonable steps to protect your "invitees" and the Covered Property at the "covered location" from further injury or damage, and keep a record of your expenses necessary to do so for consideration in the settlement of the claim. These actions do not guarantee such expenses will be covered nor will they increase the Limit of Insurance. In addition, we will not pay for any subsequent injury, loss or damage resulting from other than a "covered emergency". Also, if feasible, preserve and set damaged property aside and in the best possible order for examination.
- (4) As often as may be reasonably required, permit us to inspect the property proving the injury, loss or damage, and examine your books and records.
- Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (5) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (6) Cooperate with us in the investigation or settlement of the claim.
- (7) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records.
- In the event of an examination, an insured's answers must be signed.

2. For the purpose of coverage under this endorsement only, **E. Loss Conditions**, Paragraph 4. **Loss Payment**, of the Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

#### 4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this endorsement and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

#### G. Additional Conditions

For the purpose of coverage under this endorsement only:

- 1. **F. Additional Conditions**, Paragraph 1. **Coinsurance** of the Building and Personal Property Coverage Form CP 00 10 does not apply.
- 2. **D. Additional Condition, COINSURANCE** of the Business Income (and Extra Expense) Coverage Form CP 00 30 does not apply.
- 3. The following Additional Condition is added:

#### Other Insurance

If there is other insurance covering the same loss, we will pay only the amount of the covered loss in excess of the amount due from the other insurance, whether collectible or not. If the other insurance covers the same loss but includes a deductible, we will pay the deductible. Other insurance includes but is not limited to the insurance coverage or non-insurance services provided by an employer's Employee Assistance Plan or similar mental health service. Regardless of other insurance, we will not pay more than the applicable Limit of Insurance shown in the Schedule of this endorsement.

#### H. Definitions

For the purpose of coverage under this endorsement only, the following Definitions are added.

- 1. "Contaminated" or "contamination" means unfit for use by the introduction of unwholesome or undesirable elements.
- 2. "Covered Emergency" means the following:

#### a. Violent Acts

- (1) A violent act at your "covered location", committed with malicious intent by one or more individuals against a person(s) or entity(s), which results in physical injury or death to



such targeted person(s) or bystanders.

This does not include violent acts committed by you, or any of your partners, directors, officers or trustees.

- (2) An attempt or threat of a violent act to be committed at your "covered location", made with malicious intent by one or more individuals against a person(s) or entity(s), which is likely to result in physical injury or death to such targeted person(s) or bystander(s).

(a) This does not include an attempt or threat of a violent act made by you, or any of your partners, directors, officers or trustees.

(b) For coverage to apply, such attempts or threats must be credible, plausible and reported to law enforcement.

- (3) A violent act at your "covered location", committed with malicious intent by one or more individuals against any person(s) or entity(s), which results in direct physical loss or damage to your premises or the property of others at the "covered location".

This does not include a violent act committed by you, or any of your partners, directors, officers or trustees.

- (4) An attempt or threat of a violent act to be committed on your "covered location", made with malicious intent by one or more individuals against any person(s) or entity(s), which is likely to result in direct physical loss or damage to your premises or the property of others at the "covered location".

(a) This does not include an attempt or threat of a violent act made by you, or any of your partners, directors, officers or trustees.

(b) For coverage to apply, such attempts or threats must be credible, plausible and reported to law enforcement.

#### **b. Premises Contamination**

- (1) Necessary closure of all or part of your "covered location" due to any sudden and accidental

"contamination" or impairment of the "covered location" which results in clear, visible, identifiable, internal or external symptoms of bodily injury, illness, or death of any person(s).

- (2) This includes a "covered location" "contaminated" by "covered illness", but does not include "contamination" of the "covered location", in whole or part, by other "pollutants", "fungi" or bacteria except as provided under "covered illness".

- (3) Confirmation of both the existence of the "covered illness", and "covered location" that the "covered illness" has "contaminated" must be confirmed by a qualified expert or experts and reliable laboratory testing.

#### **c. Contaminated Food or Beverage**

- (1) Necessary closure of all or part of your "covered location" by order of the governing Board of Health because of discovery or suspicion that "contaminated" food or beverage has been served to patrons at your "covered location"; or

- (2) Necessary announcement by you or any governmental body warning the public of a health hazard at your "covered location" because "contaminated" food or beverage has been served to your patrons.

#### **d. Specified Felonies**

The following felonies, whether committed, attempted, or threatened on your "covered premises":

- (1) **Child abduction or kidnapping.** The wrongful and illegal seizure of a child under age sixteen (16) at your "covered location" by someone other than the child's biological, adoptive or foster parents or guardians.

- (2) Stalking and abduction of one or more of your employees or customers by other than a relative;

- (3) Sexual assault; or

- (4) Felonious use of a firearm, other weapon or device designed to cause significant harm or damage;

#### **e. Other Emergency Incidents**

Any one of the following events occurring at your "covered location" and not arising out of a "covered emergency":

- (1) Explosion;

- (2) Fire;
- (3) Construction accident;
- (4) Equipment failure; or
- (5) Workplace accident;

which results in injury or damage to person(s) or property, and adverse regional or national news media coverage of your business or "operations".

3. "Covered Location" means:

- a. That part of a premises you occupy which is listed as a covered location on the Declarations, including the area within 1,000 feet of that premises.
- b. If you have more than one "covered location" under section a), the term "covered location" means only the location at which the "covered emergency" occurred.
- c. If you occupy only part of the site at a "covered location", this phrase is further defined as:
  - (1) The portion of the building which you rent, lease or occupy; and
  - (2) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

4. "Covered Illness" means only the following:

- a. bacterial microorganisms transmitted through human contact with food;
- b. hepatitis virus;
- c. legionnaire's disease; and
- d. noroviruses;

as defined by the United States Center for Disease Control.

"Covered Illness" does not include any other type of illness, bacteria, virus or disease.

5. "Emergency event business income" means:

- a. Net income (net profit or loss before income taxes) – including "rental value" - that would have been earned or incurred before the "covered emergency" at the "covered location"; and
- b. Continuing normal operating expenses incurred, including payroll, at the "covered location".

6. "Emergency event communication expense" means:

- a. Reasonable extra expense you incur, within the sixty (60) consecutive day period after the "covered emergency", due

to the use of your staff for necessary communication to your employees, shareholders, customers, government authorities, news media and other members of the public, when such expense is directly related to the "covered emergency"; and

- b. Reasonable fees and costs you incur, within the sixty (60) consecutive day period after the "covered emergency", due to the use of professional crisis management organizations necessary to assist or advise you on communications strategies to:

- (1) Mitigate negative publicity; or
- (2) Restore the image of your enterprise to pre-event levels following a "covered emergency".

7. "Emergency Event Extra Expense" means:

- a. All necessary expenses related to the "covered emergency" that exceed the normal operating expenses that would have been incurred by "operations" during the "emergency event period of restoration" if no "covered emergency" had occurred. We will deduct from the total of such expenses:

- (1) The salvage value of any property bought for temporary use during the "emergency event period of restoration", once "operations" are resumed; and
- (2) Any Extra Expense that is paid for by other insurance, except for insurance that is written, subject to the same plan, terms, conditions and provisions as this insurance;

- b. Necessary expenses that reduce the "emergency event business income" loss that otherwise would have not been incurred.

8. "Emergency event period of restoration" means the period of time that:

- a. Begins:

- (1) For **Business Income** - After the Waiting Period shown in the schedule of this endorsement following the date of the "covered emergency"; and
- (2) For **Extra Expense** – On the date of the "covered emergency"; and

- b. Ends:

**Business Income and Extra Expense –**

On the shorter of:



- (1) The date when, using reasonable speed, the "operations" at your "covered location" should be resumed or the "covered location" can be re-occupied by a tenant; or
  - (2) Sixty (60) consecutive days after the "covered emergency" occurred.
- 9. "Fungi" means any type or form of fungus, including but not limited to fungus, mildew, mold or resulting spores and byproducts, including mycotoxins, or allergens. However, "fungi" does not include "fungi" on food for human consumption.
- 10. "Invitee" means your employees, customers and others with legitimate business on your Covered Property.
- 11. "Operations" means:
  - a. Your business activities occurring at the "covered location"; and
  - b. Rental of your "covered location" for "rental value".
- 12. "Post emergency event expenses" means any of the following reasonable and necessary expenses incurred by an "invitee" at the affected "covered location" when the "covered emergency" occurred:
  - a. Medical treatment expenses;
  - b. Psychological counseling or other mental health treatment expenses;
  - c. Travel costs to and from a local provider of such medical or mental health treatment services; or
  - d. Funeral and burial expenses for those on site "invitees" who died as a result of the "covered emergency".
- 13. "Rental value" means Business Income that consists of:
  - a. Net income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the "covered location" as furnished and equipped by you, including fair rental value of any portion of the scheduled premises which is occupied by you; and
  - b. Continuing normal operating expenses incurred in connection with that scheduled location, including:
    - (1) Payroll; and
    - (2) The amount of charges which are legal obligation of the tenant(s) but would otherwise be your obligations.
- 14. "Suspension" means
  - a. The slowdown or cessation of your business activities; or
  - b. The part or all of the "covered location" that is rendered un-rentable due to the "covered emergency".

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## DATA BREACH COVERAGE FORM

Various provisions in this Coverage Form restrict coverage. Read the entire Coverage Form carefully to determine rights, duties and what is and is not covered.

Throughout this coverage form the words "we", "us" and "our" refer to the Company providing this insurance. The words "you" and "your" refer to the Named Insured shown in the Declarations. Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION F – DEFINITIONS**.

### SCHEDULE

<b>Data Breach Coverage Aggregate Limit of Insurance</b>	<b>\$ 10,000</b>
<b>Data Breach Expense Coverages Aggregate Sublimit of Insurance</b>	<b>\$ 10,000</b>
<b>Additional Expense Coverages Aggregate Sublimit of Insurance</b>	<b>\$ 10,000</b>
<b>Data Breach Coverage Deductible</b>	<b>\$ 1,000</b>
<b>Cyber Business Interruption Waiting Period Deductible</b>	<b>24 Hours</b>
<b>Premium:</b>	<b>\$ 55</b>

### SECTION A – COVERAGES

We will provide Data Breach Services, Data Breach Expense Coverages and Additional Expense Coverages as described below if you have a "data breach" that:

- a. Is discovered during the "policy period" of this Data Breach Coverage Form; and
- b. Is reported to us within 30 days of your discovery of the "data breach".

#### 1. Data Breach Services, Data Breach Expense Coverages, Additional Expense Coverages

##### a. Data Breach Services

##### (1) Consulting Services

If you contact our Designated Service Provider, they will provide Consulting Services to assist you with:

- (a) Notification requirements pursuant to "breach notice laws";
- (b) Drafting your notification letters; and
- (c) Media interface and press release drafting.

##### (2) Help Line

Provide a toll-free telephone line for "potentially-identified persons" with questions about the "data breach".

##### (3) Fraud Alert

A "potentially-identified person" who contacts our Designated Service Provider can place a Fraud Alert on his or her credit file(s) with the main

credit bureaus warning potential credit grantors to check with the "potentially-identified person" before extending credit in his or her name or on his or her behalf.

#### (4) Identity Restoration Case Management

An "identified person" who contacts our Designated Service Provider will be assisted by an identity restoration professional to help to correct his or her credit and other records and to restore control over his or her personal identity.

These Data Breach Services will be provided by our Designated Service Provider, as described in Paragraphs **15. and 16. of Section E. Conditions**, for a period of one year from the date the Data Breach Services are initiated.

Data Breach Services are only available if the jurisdiction or country where the "potentially-identified person" resides maintains "breach notice law" and, in the case of Fraud Alert, an operative credit monitoring service.

#### b. Data Breach Expense Coverages

We will pay your reasonable and necessary expenses incurred for the following Covered Expenses up to the limits of insurance described in **Section C – Limits of Insurance**:

#### (1) Notification to Potentially-Identified Persons – expenses to provide

notification of the "data breach" to "potentially-identified persons":

(a) As required by applicable "breach notice law"; or

(b) If reasonably necessary to maintain your business.

Covered expenses include the printing, postage and handling of notification letters or other means of disclosing the breach to "potentially-identified persons".

(2) **Forensic Analysis** – expenses to assess:

(a) The severity of the "data breach";

(b) The nature and extent of the "data breach";

Forensic Analysis expenses do not include the cost of restoration.

(3) **Proactive Monitoring Services Expense Coverage** – Expenses for "proactive monitoring services" provided to "potentially-identified persons" in jurisdictions or countries with operative credit monitoring services as provided through our Designated Service Provider.

Under this coverage we will only pay for expenses that you incur through our Designated Service Provider.

Services provided for Covered Expenses provided in **b.(1), b.(2) and b.(3)** above must be approved by us as described in **SECTION E – CONDITIONS, Paragraph 15. Service Providers.**

(4) **Breach Restoration Expenses**

We will pay "Breach Restoration Expenses" directly resulting from a "data breach" which is first discovered during the "policy period" and which results in the damage, deletion or destruction of "data" owned by you or for which you are legally liable.

(5) **Cyber Business Interruption and Extra Expense**

We will pay actual loss of "business income" and additional "extra expense" incurred by you during the "period of restoration" directly resulting from a "data breach" which is first discovered during the "policy period" and which results in an actual impairment or denial of service of

"business operations" during the "policy period".

### c. **Additional Expense Coverages**

We will pay your reasonable and necessary expenses incurred for the following Additional Expense Coverages. These expenses are subject to the limits of insurance described in **Section C – Limits of Insurance.**

(1) **Legal Services** – expenses incurred within the first six months following the discovery and reporting of a "data breach" as provided in this Section for approved outside professional legal counsel review and recommendations as to how you should respond to it, including final legal review of the proposed breach notification letter(s). However, we will not pay for expenses for legal counsel to review any third party liability litigation or notification of potential litigation.

(2) **Public Relations** – expenses incurred within the first six months following the discovery and reporting of a "data breach" as provided in this Section for approved outside public relations firm or crisis management firm recommendations for restoring the confidence of your customers and investors in the security of your company and its systems.

(3) **Third Party "Data Breach"** – expenses for notification to "potentially-identified persons" with whom you have a direct relationship when a "data breach" is sustained by a third party to whom you have sent "private personal data" to be under that third party's care, custody and control. This includes a "data breach" that occurs while transmitting or transporting the data to that third party. Covered expenses for this Additional Covered Expense are limited to the printing, postage and handling of notification letters to "potentially-identified persons".

Service providers for Additional Expense Coverage provided in paragraphs **c.(1), c.(2) and c.(3)** must be approved by us as described in **SECTION E – CONDITIONS, Paragraph 15. Service Providers.**

(4) **Data Breach Ransom Coverage** – monies extorted from and paid by you because or a threat or connected

series of threats to commit an intentional attack on your computer systems that if so committed, would result in a "data breach". This Data Breach Ransom Coverage is subject to the following conditions:

- (a) You must receive approval from us prior to the payment of any monies;
- (b) Any monies paid must only be to terminate or end the threat;
- (c) The threat must be one which, if carried out, would have led to a "data breach" that would have been covered under this Coverage Form had the monies not been paid;
- (d) The threat must have been made during the coverage period of this Data Breach Coverage Form;
- (e) The applicable Federal, state and/or local law enforcement authority was notified of the threat prior to any payment you make for which you are seeking reimbursement under this Additional Expense Coverage;
- (f) The threat must not have been committed by any of your employees or former employees, vendors or independent contractors hired by you;
- (g) You must make every reasonable effort not to divulge the existence of this Data Breach Ransom Coverage; and
- (h) You agree to keep confidential any amounts paid under this Data Breach Ransom Coverage except for any disclosure we approve in advance of that disclosure.

**(5) Data Breach Reward Coverage –** monies you pay for information leading to the arrest and conviction of any individual(s) who committed an illegal act(s) related to a "data breach" covered under this Coverage Form.

However, we will not pay for information that was provided by:

- (a) You;
- (b) Your internal or external auditors;
- (c) Any vendor or independent contractor hired by you;

(d) Any individual or firm hired by you to investigate the illegal act described above; or

(e) Any individual(s) with supervisory or management responsibility of any of the individual(s) described above.

**(6) Data Breach Investigations**

We will pay "defense expenses" directly resulting from a "regulatory investigation" regarding a "data breach" first discovered by you during the "policy period".

**(7) Data Breach Theft**

We will pay for loss resulting directly from your transfer, payment, or delivery of funds due to the fraudulent input of "data" directly into your "system" or through a "network" into your "system". Loss must first be discovered by you during the "policy period".

**SECTION B – EXCLUSIONS**

1. The following exclusions apply to Data Breach Services, Data Breach Expense Coverages and Additional Expense Coverages.

This insurance does not apply to:

**a. Costs to Research or Correct Deficiencies**

Any costs to research any deficiency, except as specifically provided under **SECTION A – COVERAGES**, Paragraph **1.b.(2) Forensic Analysis**, or any costs to correct any deficiency.

This includes, but is not limited to, any deficiency in your systems, procedures or physical security that may have contributed to a "data breach".

**b. Criminal Investigation or Proceedings**

Any costs arising out of criminal investigations or proceedings.

**c. Fines, Penalties or Assessments**

Any "fines, penalties, fees or assessments". This includes but is not limited to fees or surcharges from financial institutions.

**d. Defense or Legal Liability**

Any fees, costs, settlements, judgments, or liability of any kind arising in the course of, or as a result of a claim for damages, lawsuit, administrative proceedings, or governmental investigation against or involving you, except as provided under **SECTION A – COVERAGES**, Paragraph **1.c.(6) Data Breach Investigations**.

**e. Other Economic Costs**

Any other costs or expenses not expressly provided for under Data Breach Services, Data Breach Expense Coverages and Additional Expense Coverages provided in Paragraphs 1.a. through 1.c. Costs or expenses that we do not cover include but are not limited to expense to reissue credit or debit cards.

**f. Consequential Loss**

Any costs, or any other loss, caused by or resulting from delay, loss of use, loss of existing or prospective markets or any other consequential loss. This exclusion does not apply to **SECTION A – COVERAGES**, Paragraph 1.b.(5) **Cyber Business Interruption and Extra Expense**.

**g. Contractually Assumed Liability**

Legal obligations arising by reason of assumption of liability in a contract or agreement.

**h. Victim Expenses or Losses**

Costs or losses incurred by a victim of "data breach" or fraud activity except as provided for under Data Breach Services, Data Breach Expense Coverages and Additional Expenses Coverages provided in Paragraphs 1.a. through 1.c.

**i. Alternative Travel Arrangements or Fees**

Payment of alternative travel arrangements or additional fees.

**j. Psychological Counseling**

Psychological counseling for victims of a "data breach" or fraud activity.

**k. Legal Advice or Services**

Legal advice or other legal services, except as provided by the Legal Services Additional Expense Coverage, Paragraph 1.c.(1).

**l. Information Recapture**

Any costs or losses for the recapture of lost, stolen or destroyed information.

**m. Dishonesty**

Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of law by you, any of your partners, directors or trustees:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

**n. Governmental Action**

Seizure or destruction of property by order of governmental authority. Such loss or damage

is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

**o. Intentional or Willful Complicity**

Your intentional or willful complicity in a "data breach".

**p. Prior Discovery**

Any "data breach" discovered prior to the inception of this Data Breach Coverage Form.

**q. Threats, Extortion or Blackmail**

Any threat, extortion or blackmail including but not limited to, ransom payments and private security assistance except as provided in the Data Breach Ransom Coverage Additional Expense Coverage under Paragraph 1.(c)(4).

**r. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

**s. War and Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

2. The following exclusions apply to Breach Restoration Expenses, Cyber Business Interruption and Extra Expense, Data Breach Investigations, and Data Breach Theft only.

This insurance does not apply to:

**a. Investigations**

Costs, fees or expenses incurred or paid by you in establishing the existence of, or amount of loss, damage or expense.

**b. Non-monetary Relief**

Costs of compliance with any order for, grant of or agreement to provide non-monetary relief, including injunctive relief.

**c. Potential Income**

Potential income including interest and dividends not realized by you; however, this Exclusion shall not apply to loss of "business income" as provided under **SECTION A –**



**COVERAGES, Paragraph 1.b.(5) Cyber Business Interruption and Extra Expense.****d. Return of Payments**

Return of fees, charges, commissions or other compensation paid to you.

**e. System Changes**

Costs or "expenses" incurred to replace, upgrade, update, improve, or maintain a "system".

**f. Uniform Commercial Code**

Loss, damage, costs or "expenses" you agree to incur or incur on behalf of another natural person or entity when you are not obligated to incur such loss, costs or "expenses" under the Uniform Commercial Code or any other law, statute, rule or code anywhere in the world, including the rules or codes of any clearing or similar entity. This Exclusion does not apply to

**SECTION A – COVERAGES, Paragraph 1.b.(5) Cyber Business Interruption and Extra Expense.**

**SECTION C – LIMITS OF INSURANCE**

1. The most we will pay for all Data Breach Expense Coverages and Additional Expense Coverages combined is the Data Breach Coverage Aggregate Limit of Insurance shown in the **SCHEDULE** of this Data Breach Coverage Form. The Data Breach Coverage Aggregate Limit of Insurance is an annual aggregate limit and is the most we will pay for the total of the covered losses and expenses for all "data breach" events discovered by you during the current "policy period" regardless of the number of "data breach" events.
2. The Data Breach Expense Coverages Aggregate Sublimit of Insurance shown in the **SCHEDULE** of this Data Breach Coverage Form is the most we will pay under all Data Breach Expense Coverages combined for the total of all covered losses and expenses arising out of all "data breach" events during the "policy period" regardless of the number of "data breach" events. The Data Breach Expense Coverage Aggregate Sublimit of Insurance is part of, and not in addition to, the Data Breach Coverage Aggregate Limit of Insurance
3. The Additional Expense Coverages Aggregate Sublimit of Insurance shown in the **SCHEDULE** of this Data Breach Coverage Form is the most we will pay under all Additional Expense Coverages combined for the total of all covered losses and expenses for all "data breach" events during the "policy period" regardless of the number of "data breach" events. The Additional Expense Coverages Aggregate Sublimit of Insurance is part of, and not in addition to, the Data Breach Coverage Aggregate Limit of Insurance.

4. Regardless of the number of years this Data Breach Coverage Form remains in force or the number of premiums paid, no limits of insurance cumulate from this "policy period" to subsequent "policy periods".

**5. Discovery Policy Period Limits Apply**

A "data breach" may be first discovered by you in one "policy period", but cause covered loss or expenses in one or more subsequent "policy periods". If so, all covered loss or expenses for the "data breach" will be limited to the Data Breach Coverage Aggregate Limit of Insurance, the Data Breach Expense Coverages Aggregate Sublimit of Insurance and the Additional Expense Coverages Aggregate Sublimit of Insurance described respectively in Paragraphs 1., 2. and 3. above that are applicable to the "policy period" when the "data breach" was first discovered by you.

**6. Time Limits**

- a. You must report a "data breach", to us on or within 30 days of your discovery of the "data breach".
- b. You have up to one year from the date of reporting a "data breach", to initiate the services afforded to you.
- c. A "potentially-identified person" has up to one year from the date he or she receives notification of a "data breach" to initiate the services afforded to him or her.
- d. Once initiated, the services afforded to a "potentially-identified person" will continue for one year.
- e. Data Breach Services under **Section A – Coverages, Paragraph 1.a.** will be provided by our Designated Service Provider for a period one year from the date the Data Breach Services are initiated.

**SECTION D – DEDUCTIBLE**

The Data Breach Expense Coverages and Additional Expense Coverages provided under this Coverage Form are subject to the Data Breach Coverage Deductible shown in the **SCHEDULE** of this Coverage Form. The Data Breach Coverage Deductible applies to covered loss and expense arising out of each "data breach". Our obligation to make payments under Data Breach Expense Coverages and Additional Expense Coverages applies only to that part of covered loss and expense arising out of a single "data breach" event which is in excess of the Data Breach Coverage Deductible.

The Data Breach Coverage Deductible does not apply to **SECTION A –COVERAGES, paragraph 1.b.(6) Cyber Business Interruption and Extra Expense.** Losses payable under Cyber Business Interruption and Extra Expense are subject to the Cyber Business



Interruption Waiting Period Deductible shown on the **SCHEDULE** of this Coverage Form.

## **SECTION E – CONDITIONS**

### **1. Duties in the Event of a Data Breach.**

You must see that the following are done in the event of a “data breach”:

- a. Notify the police if a law may have been broken.
- b. Give us prompt notice of the “data breach”. As stated in **SECTION A – COVERAGES**, paragraph **b.**, you must report the “data breach” to us within 30 days of the date you first discover it.
- c. As soon as possible, give us, and/or our Designated Service Provider, a description of how, when and where the “data breach” occurred, including all of the following information as it becomes known to you:
  - (1) The method of “data breach”;
  - (2) The approximate date and time of the “data breach”;
  - (3) The approximate number of “potentially-identified persons” compromised as a result of the “data breach”;
  - (4) A detailed description of the type and nature of the information that was compromised;
  - (5) Whether or not the information was encrypted, and, if so, the level of encryption;
  - (6) Whether or not law enforcement has been notified;
  - (7) If available, the states in which the “potentially-identified persons” are domiciled;
  - (8) If available, who received the “private personal data” as a result of the “data breach”; and any other access, information or documentation we reasonably require to investigate or adjust your claim.
- d. Take all reasonable steps to protect “private personal data” remaining in your care, custody or control.
- e. Preserve all evidence of the “data breach”.
- f. Permit us to inspect the property and records proving the “data breach”.
- g. If requested, permit us to question you under oath at such times as may be reasonably required about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed.

- h. Send us a signed, sworn statement containing the information we request to investigate the claim. You must do this within 30 days after our request. We will supply you with the necessary forms.

- i. Cooperate with us in the investigation or settlement of the claim.

### **2. Concealment, Misrepresentation or Fraud**

This coverage is void in any case of fraud by you as it relates to this Data Breach Coverage Form. It is also void if you intentionally conceal or misrepresent a material fact concerning this Coverage Form or a claim under this Coverage Form.

### **3. Control of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Form at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

### **4. Two or More Coverage Parts, Forms, Endorsements or Policies Issued By Us**

It is our stated intent that the various coverage parts, forms, endorsements or policies issued to you by us or any company affiliated with us do not provide any duplication or overlap of coverage for the same loss, damage, expense or “data breach”. If this coverage form and any other coverage part, form, endorsement or policy issued to you by us or any company affiliated with us apply to the same loss, damage, expense, or “data breach”; the maximum Limit of Insurance under all such coverage parts, forms, endorsements or policies combined shall not exceed the highest applicable Limit of Insurance under any one coverage part, form, endorsement or policy.

If two or more of the coverages provided under this coverage form apply to the same loss, damage, expense or “data breach”; we will not pay more than the actual amount of the loss, damage or expense.

### **5. Legal Action Against Us**

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date of the “data breach” is first discovered by you.

### **6. Liberalization**

If we adopt any revision that would broaden the coverage under this Data Breach Coverage Form

without additional premium within 45 days prior to or during the "policy period", the broadened coverage will immediately apply to this coverage form.

#### **7. No Benefit to Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

#### **8. Other Insurance**

- a. If you may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Data Breach Coverage Form, we will pay only our share of the covered loss, damage or expense. Our share is the proportion that the applicable Limit of Insurance under this Coverage Form bears to the Limits of Insurance of all insurance covering on the same basis.
- b. If there is other insurance covering the same "data breach", other than that described in a. above, we will pay only for the amount for Data Breach Services, Data Breach Expense Coverages, and Additional Expense Coverages in excess of the amount due from that other insurance. We will not pay more than the applicable Limit of Insurance shown in the **SCHEDULE**.

#### **9. Policy Period, Coverage Territory**

Under this Endorsement:

##### **a. Policy Period**

This policy applies only to "data breaches" that are first discovered by you during the "policy period".

##### **b. Coverage Territory**

Coverage applies anywhere in the world, provided that no trade or economic sanction, embargo, insurance or other laws or regulations prohibit the "insurer" from covering the loss. The "data breach" must involve "private personal data" that was within your care, custody or control.

Data Breach Services are only available in jurisdictions or countries that maintain "breach notice law" and, in the case of Fraud Alert, an operative credit monitoring service.

#### **10. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you

may waive your rights against another party in writing:

- a. Prior to a loss.
- b. After a loss only if, at time of loss, that party is one of the following:
  - (1) Someone insured by this insurance;
  - (2) A business firm:
    - (a) Owned or controlled by you; or
    - (b) That owns or controls you; or
- c. Your tenant.

This will not restrict your insurance.

#### **11. Cancellation**

With regard to the cancellation of this policy, the provisions outlined in the Common Policy Conditions, Businessowners Coverage Part, Technology Professional Advantage, the Technology Professional Advantage Plus, whichever are included in the policy, shall apply and will automatically include the non-renewal or cancellation of this coverage form. You agree that no further notice regarding termination of this Coverage Form will be required.

#### **12. Due Diligence**

You agree to use due diligence to prevent and mitigate loss covered under this Coverage Form. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for providing and maintaining the following:

- a. Physical security for your premises, computer systems and hard copy files;
- b. "Computer" and Internet security;
- c. Periodic backups of computer data;
- d. Protection, including but not limited to, encryption of data, for transactions such as processing credit card, debit card and check payments; and
- e. Disposal of files containing "personal private data", including but not limited to shredding hard copy files and destroying physical media used to store "data".

#### **13. No Legal Advice Provided**

We are not your legal advisor and do not provide legal counsel to you. None of the services we provide under this Coverage Form constitute legal advice to you by us. Our determination of what is or is not covered under this Coverage Form does not represent legal advice or counsel from us about what you should or should not do.

#### **14. Pre-Notification Consultation**

You agree to consult with us prior to the issuance of notification to "potentially-identified persons". We assume no responsibility under this Coverage

Form for any services promised to “potentially-identified persons” without our prior agreement. You must provide the following at our pre-notification consultation with you:

- a. The exact list of “potentially-identified persons” to be notified, including contact information.
- b. Information about the “data breach” that may appropriately be communicated with “potentially-identified persons”.

#### 15. Service Providers

- a. We will only provide Data Breach Services through our Designated Service Provider(s). Any such services that are provided by any other individual or entity will not be covered by this Coverage Form.
- b. We will only pay Data Breach Expense Coverages and Additional Expense Coverages (except for Data Breach Ransom Coverage and Data Breach Reward Coverage) that are provided by service providers approved by us prior to the start of any of these services. If we suggest a service provider(s) but you prefer to use an alternative service provider(s), our coverage is subject to the following limitations:
  - (1) Such alternate service provider(s) must be approved by us; and
  - (2) Our payment for services provided by any alternative service provider(s) will not exceed the amount that we would have paid using the service provider we had suggested.
- c. You will have a direct relationship with any service provider, including our Designated Service Provider, paid for in whole or in part under this Coverage Form. All service providers work for you.

#### 16. Data Breach Services

The following conditions apply with respect to any data breach services provided to you or to any “potentially-identified person” or “identified person” by our designees or any service firm paid for under this Data Breach Coverage Form:

- a. The effectiveness of data breach services depends on your cooperation and assistance.
- b. All data breach services may not be available or applicable to all “potentially identified persons” or “identified persons”. For example, “potentially identified persons” who are minors or foreign nationals may not have credit records that can be provided or monitored.
- c. We do not warrant or guarantee that the data breach services paid for in whole or in part by this Coverage Form will end or eliminate all

problems associated with a covered “data breach”.

- d. We are not liable for any act or omission by any Designated Service Provider who is not our employee nor the employee of a third party provider of the data breach services described in this Coverage Form. We cannot be held responsible for failure to provide or for the delay in providing services when such failure or delay is caused by conditions beyond our control
- e. Data Breach Services are only available in jurisdictions or countries that maintain “breach notice law” and, in the case of Fraud Alert, an operative credit monitoring service.

#### 17. Cooperation

You agree to cooperate with and provide full disclosure of the circumstances surrounding a “data breach” to applicable federal or state regulators, law enforcement personnel, to us, and to our Designated Service Provider(s).

If you fail to cooperate, we will not be obliged under this contract for any services and expenses that cannot be provided due to your failure to cooperate.

#### 18. Appraisal

If we and you disagree on the amount of net income, operating expense or loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of the net income, operating expense and loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

#### SECTION F – DEFINITIONS

##### 1. Account Takeover

“Account takeover” means the takeover by a third party of one or more existing deposit accounts, credit card accounts, debit card accounts, ATM cards, or lines of credit in the name of an “identified person”.

##### 2. Breach Notice Law

“Breach Notice Law” means any federal, state, local or foreign privacy legislation, regulation and

their functional equivalent that requires an entity to provide notice to affected natural persons or data protection authorities regarding any actual or potential unauthorized access to "private personal data".

### 3. Breach Restoration Expenses

"Breach Restoration Expenses" means the reasonable cost of the blank "media" and the reasonable cost of labor for the actual transcription or copying of "data" or "media" in order to reproduce such "data" or replace such "media" from "data" and/or media of comparable kind or quality.

### 4. Business Income

"Business Income" means your:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if there had been no impairment or denial of "business operations" due to a covered "data breach" and
- b. Continuing normal operating expenses incurred, including payroll.

"Business income" does not include interest or investment income.

### 5. Business Operations

"Business Operations" means your usual and regular business activities.

### 6. Computer

"Computer" means a device or group of hardware devices on which software, applications, script, code and "computer" programs containing "data" can be operated and viewed.

### 7. Cyber Attack

"Cyber Attack" means the transmission of fraudulent or unauthorized "data" that is intended to and successfully modifies, alters, damages, destroys, deletes, records, transmits, or consumes information within a "system" without authorization, including "data" that is self-replicating or self-propagating, and which causes the disruption of the normal operation of a "system".

### 8. Data

"Data" means a representation of information, knowledge, facts, concepts or instructions which are being processed or have been processed in a "computer".

### 9. Data Breach

"Data breach" means:

- a. The loss, theft, accidental release or accidental publication of "private personal data" entrusted to you as respects one or more "potentially-identified persons" if such loss, theft, accidental release or accidental

publication has or could reasonably result in the fraudulent use of such information;

- b. Failure to protect "private personal data" including a "Cyber Attack" on your "system" or the actions of a "rogue employee" which directly results in the unauthorized disclosure of "private personal data";
- c. The theft or negligent loss of hardware, "media", "system output", "data" or other documents owned or controlled by you, or on your behalf, on which "private personal data" is stored or recorded;
- d. The failure or violation of the security of your "system" including the impairment or denial of access to your "system", including a "Cyber Attack" or unauthorized acts or omissions by a "rogue employee" which damages or harms your "system" or the "system" of a third party for whom you provide "services" for a fee;
- e. The theft or loss of hardware or "media" controlled by you, or on your behalf, on which "data" is stored;
- f. Disposal or abandonment of "private personal data" without appropriate safeguards such as shredding or destruction, subject to the following provisions:
  - (1) Your failure to use appropriate safeguards must be accidental and not intentional, reckless or deliberate and not in violation of your Due Diligence obligations under Paragraph 2. **Additional Conditions**, Paragraph a.;
  - (2) Such disposal or abandonment must take place during the time period for which this Data Breach Coverage Form is effective; or
- g. The failure to disclose an event described in a. thru f. above which violates any "breach notice law".

All incidents of "data breach" that are discovered at the same time or arise from the same cause or from a series of similar causes would be considered one "data breach". All theft of "private personal data" caused by any person or in which that person is involved, whether the result of a single act or series of related acts, is considered a single incident of "data breach".

### 10. Defense Expenses

"Defense Expenses" means the reasonable and necessary legal fees and expenses including attorney fees and expert fees incurred by us or by you (other than regular or overtime wages, salaries, fees or benefits of you or your employees) in the investigation, defense, settlement and appeal of a claim, including but not



limited to cost of consultants and witnesses, premiums for appeal, injunction, attachment or supersedes bonds regarding such claim.

#### 11. Electronic Data

"Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

#### 12. Expense

"Expense" means "Business Income", "Extra Expense", "Breach Restoration Expenses", and loss payable under the Data Breach Theft coverage incurred by you.

#### 13. Extra Expense

"Extra Expense" means the reasonable and necessary expenses you incur during the "period of restoration" in an attempt to continue "business operations" that have been interrupted due to a "data breach" and that are over and above the expenses such you would have incurred if no loss had occurred. "Extra expense" does not include any costs of updating, upgrading or remediation of your "system" that are not otherwise covered under this Coverage Part.

#### 14. Fines, Penalties or Assessments

"Fines, penalties or assessments" means any fines, assessments, surcharges, attorneys' fees, court costs or other penalties which you shall be required to pay as a result of a "data breach" or pursuant to any contract, law, regulation or order.

#### 15. Identified Person

"Identified person" means a "potentially-identified person" who is or appears to be a victim of "identity theft" or "account takeover" that may reasonably have arisen from a covered "data breach".

#### 16. Identity Theft

"Identity theft" means the fraudulent use of "private personal data". This includes the fraudulent use of such information to establish credit accounts, secure loans, enter into contracts or commit crimes.

"Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

"Identity theft" does not include the use of a valid credit card, credit account or bank account. However, "identity theft" does include the fraudulent alteration of account profile information, such as the address to which statements are sent.

#### 17. Media

"Media" means electronic applications, software, scripts and programs on which "data" is stored so that it can be collected, read, retrieved or processed by a "computer". "Media" does not mean paper, or other tangible property, money, debt, equity, instruments, accounts, bonds, bills, records, abstracts, deeds or manuscripts

#### 18. Network

"Network" means any services provided by or through the facilities of any electronic or "computer" communication system, allowing the input, output, examination, visualization or transfer of "data" or programs from one "computer" to your "computer". "Network" includes any shared networks, Internet access facilities, or other similar facilities for such systems, in which you participate.

#### 19. Period of Restoration

"Period of Restoration" means:

- a. The period of time that begins:
  - (1) For "Extra Expenses", immediately after the actual or potential impairment or denial of "business operations" occurs; and
  - (2) For the loss of "Business Income", after 24 hours or the number of hours shown as the Cyber Business Interruption Waiting Period Deductible in the **SCHEDULE** on this Coverage Forms, whichever is greater, immediately following the time the actual impairment or denial of "business operations" first occurs.
- b. The "Period of Restoration" ends on the earlier of the following:
  - (1) The date "business operations" are restored, with due diligence and dispatch, to the condition that would have existed had there been no impairment or denial; or
  - (2) Sixty (60) days after the date the actual impairment or denial of "business operations" first occurs;

The expiration date of this Policy or Coverage Part will not cut short the "period of restoration".

#### 20. Policy Period

"Policy Period" means the period of time from the inception date shown the Declarations to the earlier of the expiration date shown in the

Declarations or the effective date of termination of the Policy or Data Breach Coverage Form.

## **21. Potentially-Identified Person**

"Potentially-identified person" means any person who is your current, former or prospective customer, employee, client, member, or patient and whose "private personal data" is lost, stolen, accidentally released or accidentally published by a "data breach" covered under this Coverage Form.

"Potentially-identified person" does not include any business or organization. Only an individual person may be a "potentially-identified person".

A "potentially-identified person" may reside anywhere in the world.

## **22. Private Personal Data**

"Private Personal Data" means a natural person's first name or first initial and last name in combination with:

- a. Non-public personally identifiable information, as defined in applicable federal, state, local or foreign legislation or regulations including, social security number, driver's license number or other personal identification number (including an employee identification number or student identification number);
- b. Financial account number (including a bank account number, retirement account number or healthcare spending account number);
- c. Credit, debit or payment card numbers;
- d. Information related to employment by you;
- e. Individually identifiable information considered nonpublic personal information pursuant to Title V of the Gramm-Leach Bliley Act of 1999, as amended; or
- f. Individually identifiable information considered protected health information pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended;

which is intended to be accessible only by natural persons or entities you have specifically authorized to have such access.

"Private personal data" does not mean or include information that is otherwise available to the public, such as names and addresses with no

correlated Social Security numbers or account numbers.

## **23. Proactive Monitoring Services**

"Proactive monitoring services" means the following services if you offer to provide them to "potentially-identified persons" who contact our Designated Service Provider:

- a. A credit report;
- b. credit monitoring; and or
- c. fraud/public records monitoring service or services.

## **24. Regulatory Investigation**

"Regulatory Investigation" means a formal request for information, civil investigative demand or civil proceeding, including requests for information related thereto, brought by or on behalf of a state Attorney General, the Federal Trade Commission, the Federal Communications Commission or any other federal, state, local or foreign governmental agency.

## **25. Rogue Employee**

"Rogue Employee" means a permanent employee of yours, other than an "executive", who has gained unauthorized access or has exceeded authorized access to a "system" or "private personal data" owned or controlled by you or an entity that is authorized by you to hold, process or store "private personal data" for your exclusive benefit.

## **26. Services**

"Services" means "computer" time, data processing, storage functions or other uses of your "system".

## **27. System**

"System" means a "computer", "media" and all input, output, processing storage and communication devices controlled, supervised or accessed by operating software that is proprietary to, or licensed to, the owner of the "computer".

## **28. System Output**

"System Output" means a tangible substance on which "private personal data" is printed from a "System".



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ASSOCIATES AND FAMILY MEMBERS ADDITIONAL COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

### DATA BREACH COVERAGE FORM

The following Additional Coverage is added to **SECTION A – COVERAGES** of the Data Breach Coverage Form:

#### A. ASSOCIATES AND FAMILY MEMBERS ADDITIONAL COVERAGE

As described in Paragraphs 1. and 2. below, we will extend certain **Data Breach Covered Services** to your “associates” and to their “family members” following loss of their “private personal data” under the circumstances described below. This Additional Coverage does not apply to a “data breach” involving information owned or controlled by you.

1. An “associate” or “family member” whose “private personal data” is lost or stolen by circumstances such as the loss of a credit card, debit card, ATM card, checkbook, driver’s license, or passport; or the loss of a wallet, purse, or briefcase containing any of the foregoing, may contact our Designated Service Provider for the Fraud Alert service described in **Section A – Coverages**, paragraph 1.a.(3) of the Data Breach Coverage Form.
2. An “associate” or “family member” who, as a result of loss or theft of “private personal data” described in Paragraph 1. above, becomes a victim of “identity theft” or “account takeover”, may contact our Designated Service Provider for the Identity Restoration Case Management services described in **Section A – Coverages**, paragraph 1.a.(4) of the Data Breach Coverage Form.

We will provide these services for a period of one year following the date we are notified of the initial loss of “private personal data”.

#### B. DEFINITIONS

Under **Section F – Definitions**, Paragraph

**1. Account Takeover** is replaced with the following:

#### 1. Account Takeover

“Account takeover”, as respects “associates” or “family members”, means the takeover by a third party of one or more existing deposit accounts, credit card accounts, debit card accounts, ATM cards, or lines of credit in the name of an “associate” or “family member”.

“Account takeover”, as respects “associates” or “family members”, includes the unauthorized takeover of one or more of the “associate’s” existing deposit accounts, credit card accounts, debit card accounts, ATM cards, or lines of credit by a “family member”.

Under **Section F – Definitions**, the following Definitions are added:

1. “Associate” means an employee of the business insured under this policy.
2. “Family Member” means:
  - a. an “associate’s” spouse, or Registered Domestic Partner, or the legal equivalent thereof; or
  - b. a relative under 23 years of age who is a dependent of the “associate”.

**IDENTITY THEFT RESOLUTION SERVICES  
(POWERED BY IDENTITY THEFT 911)**

Are you or your resident family members at risk for identity theft? Do you need expert assistance with an identity-related concern? IDENTITY THEFT RESOLUTION SERVICES from Identity Theft 911 give you one-on-one assistance in the following situations:

**Access Phone Number: 800-628-0250**

If you or a resident family member suffer the loss or theft of private personal data, contact Identity Theft 911 for proactive guidance that can include Fraud Alert service. If you wish, a fraud specialist can assist and place a free fraud alert on your credit file to reduce the risk of fraudulent accounts opened in your name. This service also includes additional preventative measures and one-on-one assistance, depending on the risk.

If you or a resident family member suffer the loss or theft of private passenger data, contact Identity Theft 911 for Identity Restoration Case Management services. A fraud specialist will guide you through the process of restoring your identity and handle all of the work, including completed documentation and notification assistance. Victims also receive one year of credit monitoring, as well as free fraud monitoring of over 1,000 public databases.

**Learn How to Protect Your Identity**

We recommend that you regularly visit The Hanover Insurance Group and Identity Theft 911 comprehensive resource and knowledge library – [www.hanover-identitytheft911.com](http://www.hanover-identitytheft911.com) – for the latest media alerts, identity theft tips, in-depth newsletters and much more.

Keep this access information handy in case you ever need help with an identity-related problem.

**Access Phone Number: 800-628-0250**

The Hanover Insurance Group makes no guarantee of results and assumes no liability in connection with either the information or assistance provided by Identity Theft 911. Any and all external Websites or sources referred to herein are for informational purposes only.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## GOLD PROPERTY BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CAUSES OF LOSS – SPECIAL FORM  
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM – ACTUAL LOSS SUSTAINED

The following is added to **C. Limits Of Insurance** of Building and Personal Property Coverage Form CP 00 10:

The limits applicable to the Coverages included in this endorsement may either be in addition to or included within the applicable Limits of Insurance. For application of the limits, refer to each coverage within this endorsement.

Refer to **SECTION V – DEFINITIONS** of this endorsement for additional words or phrases which appear in quotation marks as they have special meanings.

### I. COVERAGES

#### A. Scheduled Coverages

The coverages in this endorsement amend the coverage provided under the Building and Personal Property Coverage Form, Causes of Loss – Special Form, Business Income (and Extra Expense) Coverage Form and Business Income (and Extra Expense) Coverage - Actual Loss Sustained through new coverages and substitute coverage grants. These coverages are subject to the provisions applicable to this policy, except where amended within this endorsement. If any of the property covered by this endorsement is also covered under any other provisions of the policy of which this endorsement is made a part, or if more than one coverage under this endorsement applies, in the event of loss or damage, you may choose only one of these coverages to apply to that loss. The most we will pay in this case is the limit of insurance applying to the coverage you select. Coverages included in this endorsement apply either separately to each described premises or on an “occurrence” basis. Refer to each coverage within this endorsement for application of coverage.

	Limits of Insurance	Amended Limits of Insurance	Page
1. Additional Covered Property	Included	N/A	3
2. Brands & Labels	Included	N/A	4
3. Broadened Building Coverage	Included	N/A	4
4. Broadened Business Personal Property	Included	N/A	4
5. Building Limit - Inflation Guard	Included	N/A	5
6. Business Income & Extra Expense from Dependent Properties	\$150,000	\$	5
7. Catastrophe Allowance	\$50,000	N/A	5
8. Computer and Funds Transfer Fraud	\$15,000	\$	6
9. Consequential Loss to Stock	Included	N/A	6
10. Contract Penalties	\$50,000	\$	6
11. Debris Removal	\$250,000	\$	6
12. Denial of Access to Premises	Included	N/A	7
13. E-Commerce	\$10,000	\$	7
14. Electronic Data Processing Equipment	Included	N/A	8
15. Employee Theft including ERISA Compliance	\$100,000	\$	8
16. Employee Tools and Work Clothing	\$25,000	\$	10
17. Expediting Expense	\$50,000	\$	11
18. Extended Business Income	180 Days	N/A	11

19.	Extended Coverage on Property – within 2000 feet	Included	N/A	11
20.	Extra Expense	\$300,000	\$	11
21.	Fire Protection Equipment Recharge	Included	N/A	12
22.	Food Contamination including	\$25,000	\$	12
	Additional Advertising Expense	\$3,000	\$	12
23.	Forgery or Alteration	\$30,000	\$	12
24.	Foundations & Underground Pipes	Included	N/A	13
25.	International Air Shipments	\$50,000	\$	13
26.	Inventory & Loss Appraisal	\$250,000	\$	14
27.	Key Replacement & Lock Repair	\$20,000	\$	14
28.	Lease Cancellation	\$50,000	\$	14
29.	Leasehold Interest – Tenants	\$150,000	\$	15
30.	Marring & Scratching	Included	N/A	15
31.	Money & Securities	\$25,000	\$	15
32.	Money Orders & Counterfeit Money	\$25,000	\$	16
33.	Newly Acquired or Constructed Property – Building	\$2,000,000	\$	16
	Newly Acquired – Business Personal Property	\$1,000,000	\$	16
34.	Newly Acquired Locations – Business Income & Extra Expense	\$250,000	\$	17
35.	Non-Owned Detached Trailers	\$25,000	\$	17
36.	Ordinance or Law	\$500,000	\$	17
37.	Pollutant Clean-Up and Removal	\$100,000	\$	20
38.	Preservation of Property	90 Days	N/A	20
39.	Preservation of Property – Expense	\$50,000	\$	20
40.	Property in Transit	\$100,000	\$	21
41.	Property Off Premises	\$150,000	\$	21
42.	Prototypes	Included	N/A	21
43.	Rewards – Arson, Theft, Vandalism	\$75,000	\$	22
44.	Sales Representative Samples	\$25,000	\$	22
45.	Seasonal Increase – Business Personal Property	Included	N/A	22
46.	Sewer Backup	Included	N/A	23
47.	Soft Costs	\$25,000	\$	23
48.	Temporary Relocation of Property	\$100,000	\$	23
49.	Tenant Glass	\$15,000	\$	23
50.	Tenant Relocation	\$50,000	\$	24
51.	Theft Damage to Building	Included	N/A	24
52.	Transit Business Income & Extra Expense	\$75,000	\$	25
53.	Undamaged Tenants Improvements and Betterments	\$50,000	\$	25
54.	Underground Water Seepage	\$50,000	N/A	25
55.	Unintentional Property Reporting Errors	\$500,000	N/A	26
56.	Unnamed Locations	\$150,000	\$	26
57.	Utility Services – Direct Damage	\$100,000	\$	27
	Utility Services – Business Income	\$100,000	\$	27
58.	Voluntary Parting	\$50,000	\$	27
59.	Water Damage, Other Liquids, Powder or Molten Material Damage	\$50,000	\$	28

60. Windblown Debris	\$10,000	\$ 28
61. Worldwide Property Off-Premises	\$75,000	\$ 28
<b>B. Coverages Included within the Blanket Limit of Insurance:</b>		
<b>Blanket Limit of Insurance</b>	<b>\$500,000</b>	

The Blanket Limit of Insurance shown above applies to all Coverages shown in **Section III. B.** of this Endorsement. At the time of loss, you may elect to apportion this Blanket Limit of Insurance to one or any combination of the Coverages shown, but under no circumstances will the aggregate apportionment be permitted to exceed the Blanket Limit of Insurance shown above. The Blanket Limit of Insurance applies per "occurrence".

	<b>Amended Limits of Insurance</b>	<b>Page</b>
1. Accounts Receivable	\$	28
2. Deferred Payments	\$	29
3. Fine Arts	\$	29
4. Fire Department Service Charge	\$	30
5. Movement of Property	\$	30
6. Outdoor Property	\$	30
7. Personal Effects & Property of Others	\$	31
8. Research and Development Documentation	\$	31
9. Valuable Papers and Records (Other Than Electronic Data)	\$	32

## II. DEDUCTIBLE

We will not pay for covered loss or damage in any one "occurrence" unless the amount of loss or damage exceeds the deductible amount shown in the Declarations of this Policy. We will then pay the amount of loss or damage in excess of the Deductible, up to the Limit of Insurance for all applicable coverages listed under **SECTION I – COVERAGES**. No deductible applies to coverages where specifically designated.

## III. COVERED PROPERTY

### A. Scheduled Coverages

#### 1. Additional Covered Property

- a. The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

#### **Additional Covered Property**

- (1) You may extend the insurance that applies to your Business Personal Property to also include "theft" or attempted "theft" of your patterns, dies, molds and forms.
- b. **C. Limitations**, Paragraph **3.** of Causes of Loss – Special Form CP 10 30 is replaced by the following:
3. The special limit shown for each category **a.** through **e.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one "occurrence" of "theft", regardless of the types or number of articles that are lost or damaged in that "occurrence". The special limits

are:

- a. \$10,000 for furs, fur garments and garments trimmed in fur.
- b. \$10,000 for jewelry, watches, watch movements, jewels and pearls. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c. \$35,000 for precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals.
- d. \$5,000 for patterns, dies, molds and forms owned by others. This special limit does not apply to those patterns, dies, molds and forms owned by you or for which you are responsible under written contract existing before loss.
- e. \$1,000 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income coverage or to Extra Expense coverage.

All other provisions of **C. Limitations** of Causes of Loss – Special Form CP 10 30 remain unchanged.

## 2. Brands & Labels

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### Brands & Labels

- (1) If Covered Property that has a brand or label is damaged by a Covered Cause of Loss and we elect to take all or any part of the damaged property at an agreed or appraised value, you may extend the insurance that applies to Your Business Personal Property to:

- (a) Pay expenses you incur to:

(i) Remove the brand or label and then re-label the damaged property to comply with any applicable law; or

(ii) Label or stamp the damaged property as Salvage, if doing so will not physically damage the property.

- (b) Cover any reduction in the salvage value of the damaged property as a result of the removal of the brand or label.

- (2) Payment under this Extension is included within the Limit of Insurance applicable to your Business Personal Property.

## 3. Broadened Building Coverage

- a. The following is added to **A. Coverage**, Paragraph **1. Covered Property**, subparagraph **a. Building** of Building and Personal Property Coverage Form CP 00 10:

- (6) Foundations of machinery, tanks and their component parts including all connections which are below:

- (a) The lowest basement floor; or  
(b) The surface of the ground, if

there is no basement.

- (7) Your personal property in apartments or rooms furnished by you as landlord;

- (8) The following property if it is located on or within 2000 feet of a covered building or structure:

(a) Exterior lighting fixtures or poles;

(b) Yard fixtures;

(c) Fences; and

(d) Retaining Walls whether or not attached to the building

- (9) Signs, whether or not they are attached to covered buildings or structures;

- (10) Building glass, including skylights, glass doors and windows, and their encasement frames, alarm tape, lettering and ornamentation;

- (11) Your new buildings while being built on or within 2000 feet of the described premises; and

- (12) Driveways, patios and walks.

- b. Under **C. Limits of Insurance** of Building and Personal Property Coverage Form CP 00 10, the \$2,500 limitation on outdoor signs is deleted.

## 4. Broadened Business Personal Property

- a. The following is added to **A. Coverage**, Paragraph **1. Covered Property**, subparagraph **b. Your Business Personal Property** of Building and Personal Property Coverage Form CP 00 10:

- (8) Property of others that is in your care, custody or control;

- (9) "Scientific & professional equipment";

- (10) Building glass you have a contractual responsibility to insure;

- (11) "Installation, tools & equipment property"; and

- (12) Patterns, molds & dies.

- b. **A. Coverage**, Paragraph **1. Covered Property**, subparagraph **c. Personal Property of Others** of Building and Personal Property Coverage Form CP 00 10, is deleted.

## 5. Building Limit – Inflation Guard

The following is added to **C. Limits of**



**Insurance** of Building and Personal Property Coverage Form CP 00 10:

**Building Limit – Inflation Guard**

We will pay either the actual cash value or the replacement cost value, based on the valuation method shown in the Declarations, of the damaged portion of the building at the time of loss, but not more than 115% of the Limit of Insurance for Building if:

- a. The amount of any loss covered by this policy exceeds the Limit of Insurance for Building stated in the Declarations for the damaged Building; and
- b. The actual repair or replacement is completed within one year of the date of loss.

**6. Business Income & Extra Expense from Dependent Properties**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

**Business Income & Extra Expense from Dependent Properties**

- (1) We will pay the actual loss of business income you sustain due to the necessary “suspension” of your “operations” during the “dependent property period of restoration”. The “suspension” must be caused by direct physical loss of or damage to “dependent property” caused by or resulting from a Covered Cause of Loss.
- (2) We will pay the actual and necessary Extra Expense you incur due to direct physical loss of or damage to “dependent property” caused by or resulting from a Covered Cause of Loss.
- (3) Under this Additional Coverage, the definition of Extra Expense is replaced with the following:  
Extra Expense means necessary expenses you incur during the “dependent property period of restoration” that you would not have incurred if there had been no direct physical loss or damage to the premises of any “dependent property” caused by or resulting from a Covered Cause of Loss:  
(a) To avoid or minimize the

“suspension” of business and to continue “operations”; or

- (b) To minimize the “suspension” of business if you cannot continue “operations”.
- (4) For Business Income coverage under this Additional Coverage, the Coverage Territory for “dependent property” is expanded to all parts of the world.
- (5) We will reduce the amount of your:
  - (a) Business income loss, other than extra expense, to the extent you can resume “operations” in whole or in part by using any other available:
    - (i) Source of materials; or
    - (ii) Outlet for your products
  - (b) Extra Expense loss to the extent you can return “operations” to normal and discontinue such extra expense.
- (6) The most we will pay under this Additional Coverage is \$150,000 per “occurrence” regardless of the number of “dependent properties” that are involved, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (7) The amount payable under this Additional Coverage is additional insurance.

**7. Catastrophe Allowance**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Catastrophe Allowance**

- (1) This Coverage Extension applies when the direct physical loss or damage to Covered Property is the result of an insured event for which Property Claims Service has publicly designated a catastrophe number to the event.
- (2) You may extend the insurance provided under this Coverage Form if the limits provided under **C. Limits of Insurance** of Building and Personal Property Coverage Form CP 00 10 are insufficient to compensate you for covered loss or damage you incur as a result of the insured Catastrophe event.

(3) This Coverage Extension may not be applied to the deductible amount of this policy or any other policy. It also may not be used to cover any loss or damage that would not be covered under this policy.

(4) The most we will pay under this Extension in any one "occurrence" is \$50,000.

The most we will pay under this Extension during each separate 12 month period of this policy is \$50,000.

#### 8. Computer and Funds Transfer Fraud

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Computer and Funds Transfer Fraud

(1) We will pay for loss of and damage to "money", "securities" and "other property" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described "banking premises":

(a) To a person (other than a messenger) outside those banking premises; or

(b) To a place outside those premises.

(2) The most we will pay for loss of "money" and "securities" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" and "securities" from your "transfer account" is \$15,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, regardless of the number of "fraudulent instructions" involved.

#### 9. Consequential Loss to Stock

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### Consequential Loss to Stock

(1) You may extend the insurance that applies to Your Business Personal Property to apply to the reduction in value of the remaining parts of "stock" in process of manufacture that are physically undamaged but are

unmarketable as a complete product because of direct physical loss or damage from a Covered Cause of Loss to other parts of covered "stock" in process of manufacture at an insured location.

(2) Should it be determined that such "stock" retains only a salvage value, we retain the option of paying the full value of the "stock" as agreed within this policy, and taking the damaged property for salvage purposes.

(3) Payment under this Coverage Extension is included within the applicable Limit of Insurance.

#### 10. Contract Penalties

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Contract Penalties

(1) We will pay for contractual penalties you are required to pay due to your failure to provide your product or service according to contract terms because of direct physical loss or damage by a Covered Cause of Loss to Covered Property.

(2) The most we will pay for all penalties in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(3) The amount payable under this Additional Coverage is additional insurance.

#### 11. Debris Removal

a. **A. Coverage Paragraph 4. Additional Coverages**, subparagraph **a.(4)** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

##### (4) Debris Removal

We will pay up to an additional \$250,000 for debris removal expense, for each location, in any one "occurrence" of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage

exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

- (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

If (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$250,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

- b. **A. Coverage Paragraph 4. Additional Coverages**, subparagraph a.(5) of Building and Personal Property Form CP 00 10 is deleted:

## 12. Denial of Access to Premises

The following is added to **A. Coverage**, Paragraph **5. Additional Coverages** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581:

### Denial of Access to Premises

- (1) We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur when ingress to or egress from the described premises is prevented, due to direct physical loss of or damage to property that is away from but within 2000 feet of the described premises, caused by or resulting from any Covered Cause of Loss covered under this policy.
- (2) The coverage for Business Income will begin 72 hours after the loss or damage to the premises that causes the denial of access and will apply for a period of up to 30 consecutive days after coverage begins.
- (3) The coverage for Extra Expense will begin immediately after the loss or damage to the premises that causes the denial of access and will end:
  - (a) 30 consecutive days after

coverage begins; or

- (b) When your Business Income coverage ends;

whichever is earlier.

## 13. E-Commerce

### a. Electronic Vandalism – Direct Damage

- (1) **A. Coverage**, Paragraph **2. Property Not Covered**, subparagraph n. of Building and Personal Property Coverage Form CP 00 10 is deleted.

- (2) **A. Coverage**, Paragraph **4. Additional Coverages**, subparagraph f. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

### f. Electronic Vandalism – Direct Damage

We cover direct physical loss or damage to covered “computer equipment” at the described premises caused by “electronic vandalism”.

### b. Electronic Vandalism - Interruption of Computer Operations

- (1) **A. Coverage**, Paragraph **4. Additional Limitation – Interruption of Computer Operations** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage – Actual Loss Sustained 411-0581 is deleted.

- (2) **A. Coverage**, Paragraph **5. Additional Coverages**, subparagraph d. of Business Income (and Extra Expense) Coverage Form CP 00 30, and Business Income (and Extra Expense) Coverage – Actual Loss Sustained 411-0581 is replaced by the following:

### d. Electronic Vandalism – Interruption of Computer Operations

You may extend the insurance that applies to Business Income & Extra Expense to apply to a “suspension” of “operations” caused by an interruption in computer

operations at the described premises due to "electronic vandalism" originating anywhere in the world.

We will only pay for loss of Business Income or Extra Expense that occurs during the "period of restoration".

- c. The most we will pay for all loss or damage from both Electronic Vandalism – Direct Damage and Electronic Vandalism – Interruption of Computer Operations in any one "occurrence" is \$10,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- d. The amount payable under this Additional Coverage is additional insurance.
- e. **Special E-Commerce Exclusions**

We do not cover:

- (1) Loss of proprietary use of any "electronic data" or "proprietary programs" that have been copied, scanned, or altered;
- (2) Loss of or reduction in economic or market value of any "electronic data" or "proprietary programs" that have been copied, scanned, or altered; and
- (3) Theft from your "electronic data" or "proprietary programs" of confidential information through the observation of the "electronic data" or "proprietary programs" by accessing covered "computer equipment" without any alteration or other physical loss or damage to the records or programs. Confidential information includes, but is not limited to, customer information, processing methods, or trade secrets.

#### 14. Electronic Data Processing Equipment

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Electronic Data Processing Equipment**

- (1) We will pay for direct physical loss or damage to the following Covered Property which is your property or property in your care, custody or control:

(a) "Computer equipment"; and

(b) Programming documentation and instruction manuals.

- (2) We will also cover the necessary extra expenses you incur to avoid or minimize the suspension of business and to continue "operations" because of direct physical loss or damage to covered property.

- (3) The following Exclusions do not apply to this Additional Coverage:

(a) Earth Movement; and

(b) Water.

- (4) We will not pay for any loss to the following property:

(a) Property you rent, loan or lease to others while it is away from the described premises; or

(b) Property you hold for sale, distribute or manufacture.

- (5) Payment under this Additional Coverage is included within the Limit of Insurance applicable to your Business Personal Property.

#### **(6) Special Electronic Data Processing Equipment Exclusions**

We do not cover:

(a) Any extra expense caused by an error or omission in programming or incorrect instructions to "hardware";

(b) Direct physical loss to covered property caused by:

(i) "Electrical disturbance";

(ii) "Power supply disturbance;";

(iii) "Computer virus"; or

(iv) "Computer hacking".

#### **15. Employee Theft including ERISA Compliance**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Employee Theft including ERISA Compliance**

- (1) We will pay for loss or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", clergy, or any non-compensated person whether identified or not, acting alone

or in collusion with other persons.

For the purposes of this Additional Coverage, "theft" shall also include "forgery".

- (2) This Additional Coverage terminates as to any "employee" as soon as:

- (a) You; or
- (b) Any of your partners, "members", "managers", officers, directors or trustees not in collusion with the "employee";

"Discovered" the "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

- (3) Under this Additional Coverage, "occurrence" means:

- (a) An individual act;
- (b) The combined total of all separate acts whether or not related; or
- (c) A series of acts whether or not related;

Committed by an "employee" acting alone or in collusion with other persons, during the policy period, before such policy period or both.

- (4) We will pay only for loss you sustain through acts committed or events occurring anytime which is "discovered" by you:

- (a) During the policy period; or
- (b) No later than 1 year from the date of termination or cancellation of this insurance. However this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this Additional Coverage, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

- (5) You may extend this coverage to apply to loss caused by any "employee" while temporarily outside the Coverage Territory for a period of not more than 90 days.

- (6) The most we will pay for all loss resulting directly from an "occurrence" is \$100,000 or the Limit of Insurance

shown in the Amended Limits Section of this Endorsement. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year.

- (7) The amount payable under this Additional Coverage is additional insurance.

#### **(8) Special Employee Theft Exclusions**

We will not pay for:

- (a) Loss resulting from "theft" or any other dishonest act committed by:

- (i) You; or
- (ii) Any of your partners or "members";

Whether acting alone or in collusion with other persons.

- (b) Loss caused by an "employee" if the "employee" has also committed "theft" or any other dishonest act prior to the effective date of this policy and you or any of your partners, "managers", officers, directors or trustees, not in collusion with the "employee", learned of that "theft" or dishonest act prior to the policy period shown in the Declarations.

- (c) Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:

- (i) Whether acting alone or in collusion with other persons; or
- (ii) While performing services for you or others;

Except when covered under this Additional Coverage.

- (d) Loss that is an indirect result of an "occurrence" covered by this Additional Coverage, including, but not limited to, loss resulting from:

- (i) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property";
- (ii) Payment of damages of any type for which you are legally liable;



(iii) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this Additional Coverage.

(e) Fees, costs and expenses incurred by you which are related to any legal action.

(f) Loss or that part of any loss, the proof of which as to its existence or amount is dependent upon

(i) An inventory computation; or

(ii) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

(g) Loss resulting from trading, whether in your name or in a genuine or fictitious account.

(h) Loss resulting from fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.

(i) Loss resulting from:

(i) The unauthorized disclosure of your confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or

(ii) The unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information, credit card information or similar no public information.

**(9) Welfare and Pension Plan ERISA Compliance**

(a) The "employee benefit plan" (hereafter referred to as Plan) is included as an insured under this Additional Coverage.

(b) If any Plan is insured jointly with any other entity under this

Additional Coverage, you or the Plan Administrator must select a Limit of Insurance for this Additional Coverage that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required if each Plan were separately insured.

(c) With respect to loss sustained or "discovered" by any such Plan, Paragraph (1) above is replaced with the following:

We will pay for loss of or damage to "funds" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

(d) If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.

(e) If two or more Plans are insured under this Additional Coverage, any payment we make for loss:

(i) Sustained by two or more Plans; or

(ii) Of commingled "funds" or "other property" of two or more Plans;

Resulting from an "occurrence", will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total Limit of Insurance of all Plans sustaining loss.

(f) The Deductible does not apply to this Additional Coverage.

**16. Employee Tools and Work Clothing**

The following is added to **A. Coverage**, Paragraph 4. **Additional Coverages** of Business and Personal Property Coverage Form CP 00 10:

**Employee Tools and Work Clothing**

(1) We will pay for direct physical loss of or damage to tools and work clothing of your "employees" damaged by a Covered Cause of Loss while such tools and work clothing are located at an insured location, your job sites or while "in transit" to and from your job



sites, while in your vehicle.

- (2) The most we will pay for loss or damage under this Additional Coverage is \$25,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, but not more than \$500 for any one tool or item of clothing. The amount payable under this Additional Coverage is additional insurance.
- (3) The Coinsurance condition does not apply to this Additional Coverage.

#### 17. Expediting Expense

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Expediting Expense

- (1) When a Covered Cause of Loss occurs to Covered Property, we will pay for the reasonable and necessary additional expenses you incur to:
  - (a) Make temporary repairs;
  - (b) Expedite permanent repair or replacement of damaged property; or
  - (c) Provide training on replacement machines or equipment.
- (2) The most we will pay for loss under this Additional Coverage in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) The amount payable under this Additional Coverage is additional insurance.

#### 18. Extended Business Income

**A. Coverage, Paragraph 5. Additional Coverages**, subparagraphs **c.(1)(b)** and **(2)(b)** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage form – Actual Loss Sustained 411-0581 are replaced by the following:

- (1)(b) Ends on the earlier of:
  - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or

- (ii) 180 consecutive days after the date determined in **(1)(a)** above.

#### (2)(b) Ends on the earlier of:

- (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would general the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
- (ii) 180 consecutive days after the date determined in **(2)(a)** above.

#### 19. Extended Coverage on Property – within 2000 feet

Under the Building and Personal Property Coverage Form CP 00 10, Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581 all provisions that limit the location of property to "within 100 feet" of a described premise are replaced with "within 2000 feet" of a described premise.

#### 20. Extra Expense

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Extra Expense

- (1) When a Covered Cause of Loss occurs to Covered Property at a location described in the declarations, we will pay for the reasonable and necessary extra expense you incur to continue as nearly as possible your normal business operations following the covered loss or damage.
- (2) The most we will pay for loss under this Additional Coverage in any one "occurrence" is \$300,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) The amount payable under this Additional Coverage is additional insurance.
- (4) No deductible applies to this coverage.

#### 21. Fire Protection Equipment Recharge

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage

Form CP 00 10:

### **Fire Protection Equipment Recharge**

- (1) We will pay expenses you incur to recharge or refill your fire protection equipment due to the leakage or discharge:
  - (a) To prevent or control loss;
  - (b) Accidentally; or
  - (c) As a result of malfunction of the equipment.
- (2) The Deductible does not apply to this Additional Coverage. Payment under this Additional Coverage is included within the applicable Limit of Insurance.

## **22. Food Contamination**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### **Food Contamination**

- (1) If your business at the described premises is ordered closed by the Board of Health or any other governmental authority as a result of the discovery of "food contamination", we will pay:
  - (a) Your expense to clean your equipment as required by the Board of Health or any other governmental authority;
  - (b) Your cost to replace the food which is, or is suspected to be contaminated;
  - (c) Your expense to provide necessary medical tests or vaccinations for your infected "employees". However, we will not pay for any expense that is otherwise covered under a Workers' Compensation Policy;
  - (d) The loss of Business Income you sustain due to the necessary "suspension" of your "operations". The coverage for Business Income will begin 24 hours after you receive notice of closing from the Board of Health or any other governmental authority; and
  - (e) Additional Advertising expenses you incur to restore your reputation.
- (2) The most we will pay for all loss under

Paragraphs **(1)(a)** through **(1)(d)**, including Business Income is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

The most we will pay for all loss under Paragraph **(1)(e)** is \$3,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

## **(3) Special Food Contamination Exclusion**

We will not pay any fines or penalties levied against you by the Board of Health or any other governmental authority as a result of the discovery of food contamination at the described premises.

## **23. Forgery or Alteration**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### **Forgery or Alteration**

- (1) We will pay for loss resulting directly from "forgery" or alteration of checks, credit cards, debit cards, charge cards, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:
  - (a) Made or drawn by or drawn upon you; or
  - (b) Made or drawn by one acting as your agent;
 or that are purported to have been made or drawn.
- (2) If you are sued for refusing to pay any instrument covered in paragraph **(1)** above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense.
- (3) Under this Additional Coverage, any loss:
  - (a) Caused by any one or more persons; or
  - (b) Involving a single act or series of related acts;
 is considered one "occurrence" regardless of the number of checks, credit cards, debit cards, charge cards, drafts, promissory notes, or

similar written promises, orders or directions involved.

**(4) Special "Forgery" or Alteration Exclusion**

This Additional Coverage does not apply to:

Loss arising from any credit, debit or charge card if you have not complied fully with the provisions, conditions or other terms under which the card was issued.

- (5)** The most we will pay for loss, including legal expenses, resulting directly from an "occurrence" under this Additional Coverage is \$30,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, but not more than \$1,000 for any loss arising from any credit, debit or charge card forgery or "Alteration". Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year. The Deductible does not apply to this Additional Coverage.

- (6)** The amount payable under this Additional Coverage is additional insurance.

**24. Foundations & Underground Pipes**

- a.** The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Foundations & Underground Pipes**

- (1)** You may extend the insurance that applies to Building to apply to loss or damage to:

- (a)** Foundations of buildings, structures, machinery or boilers if their foundations are below:

- (i)** The lowest basement floor; or

- (ii)** The surface of the ground, if there is no basement;

- (b)** Underground pipes, flues and drains; and

- (c)** The cost of excavating, grading, backfilling or filling

when such loss or damage is caused by a Covered Cause of Loss.

- (2)** The most we will pay for loss under this Coverage Extension is the applicable building Limit of Insurance.

- (3)** Payment under this Addition Coverage is included within the applicable Limit of Insurance.

- b. A. Coverage, Paragraph 2. Property Not Covered**, subparagraphs **f.**, **g.**, and **m.** of Building and Personal Property Coverage Form CP 00 10, do not apply to this coverage.

**25. International Air Shipments**

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**International Air Shipments**

- (1)** You may extend the insurance that applies to your Business Personal Property and Personal Property of Others that we ship to apply to that property; while being shipped by air:

- (a)** Anywhere within the Coverage Territory to or from a location outside of the coverage territory; or

- (b)** Between locations outside of the coverage territory;

- (2)** This coverage extension only applies to the shipment of your property which originates and terminates at a location specified in the air waybill.

- (3)** The most we will pay for loss or damage under this Extension in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(4) Special International Air Shipments Exclusion**

This Extension does not apply to:

Business Personal Property if there is other insurance in force covering the same loss.

**26. Inventory & Loss Appraisal**

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Inventory and Loss Appraisal**

- (1)** We will pay all reasonable expenses you incur at our request to assist us in:

- (a) The investigation of a claim;
  - (b) The determination of the amount of loss, such as taking inventory; or
  - (c) The cost of preparing specific loss documents and other supporting exhibits.
- (2) Expenses you incur include costs charged to you by others, including property managers, acting on your behalf to assist us with item (1) above.
- (3) The Deductible does not apply to this Extension.
- (4) Regardless of the number of described premises involved, the most we will pay under this Extension for loss or damage in any one "occurrence" is \$250,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(5) Special Inventory and Loss Appraisal Exclusions**

We will not pay for expenses:

- (a) Incurred to perform your duties in the event of loss under **E. Loss Conditions** of Building and Personal Property Coverage Form CP 00 10;
- (b) To prove that loss or damage is covered;
- (c) Billed by and payable to independent or public adjusters, attorneys or any of their affiliated or associated entities;
- (d) To prepare claims not covered by this policy; or
- (e) Incurred under any Appraisal provisions within the policy.

**27. Key Replacement & Lock Repair**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Key Replacement & Lock Repair**

- (1) You may extend the insurance provided under this Coverage Form to cover the reasonable and necessary expense you incur due to a covered "theft" for:
- (a) Replacement of keys if they are stolen;
  - (b) Lock repair; or

- (c) Rekeying, replacing or reprogramming undamaged locks to accept new keys or entry codes when the building security has been compromised.

- (2) The most we will pay under this Extension is \$20,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement. The Deductible does not apply to this Extension.

**28. Lease Cancellation**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

**Lease Cancellation**

- (1) We will pay the actual loss of business income you sustain due to the cancellation of a lease by your tenants in a Covered Building due to untenability that is caused by direct physical loss or damage to that building from a Covered Cause of Loss.

This Additional Coverage only applies if at the time of loss the building was occupied and business was being conducted by the tenant canceling the lease or their sub-lessee; or a lease was signed but the building was not yet occupied by the tenant.

- (2) We will pay for loss of business income that you sustain after tenantability is restored and until the earlier of:
- (a) The date you lease the premises to another tenant; or
  - (b) 12 months immediately following the "period of restoration".

- (3) The amount payable under this Additional Coverage is additional insurance.

- (4) Regardless of the number of tenants canceling a lease at the described premises, the most we will pay under this Additional Coverage is \$50,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(5) Special Lease Cancellation Exclusions**

We will not pay for:

- (a) Lease cancelled after the "period

of restoration”;

- (b) Lease cancelled, suspended or allowed to lapse by you;
- (c) Return of pre-paid rent or security and other deposits made by tenants; or
- (d) Lease cancelled at the normal expiration date.

## 29. Leasehold Interest – Tenants

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages**, of Building and Personal Property Coverage Form CP 00 10:

### Leasehold Interest – Tenants

- (1) We will pay for the loss of prepaid rent you sustain due to the cancellation of your written lease. The cancellation must result from direct physical loss or damage to property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.
- (2) This Additional Coverage only applies if at the time of loss you were occupying and conducting business at the described premises.
- (3) The amount payable under this Additional Coverage is additional insurance.
- (4) The most we will pay for loss in any one “occurrence” is the lesser of:
  - (a) The unused pro-rata portion of prepaid rent based on the period of time remaining in your lease, which you have paid at the described premises where your lease was cancelled; or
  - (b) \$150,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

### (5) Special Leasehold Interest Exclusion

We will not pay for:

- (a) Lease cancelled, suspended or allowed to lapse by you; or
- (b) Lease cancelled at the normal expiration date.

## 30. Marring & Scratching

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

## Marring & Scratching

- (1) You may extend the insurance that applies to Business Personal Property to apply to damage caused directly by sudden and accidental marring and scratching of:
  - (a) Your “stock”;
  - (b) Your printing plates; or
  - (c) Property of others that is in your care, custody or control.
- (2) This Extension does not apply to:
  - (a) Property at other than the described premises; or
  - (b) Property in transit.
- (3) Payment under this Extension is included within Limit of Insurance applicable to your Business Personal Property.

## 31. Money & Securities

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### Money & Securities

- (1) We will pay for loss of “money” and “securities” while:
  - (a) Inside the described premises;
  - (b) At a “banking premises”;
  - (c) Temporarily within your living quarters or the living quarters of any other member, volunteer; or
  - (d) “employee” having use and custody of the property; or
  - (e) “In transit” between (1)(a), (1)(b), or (1)(c)
 that results directly from:
  - (f) “theft”; or
  - (g) Disappearance or destruction.
- (2) Under this Additional Coverage, all loss:
  - (a) Caused by one or more persons; or
  - (b) Involving a single act or series of related acts;
 is considered one “occurrence”.
- (3) You must keep records of all “money” and “securities” so we can verify the amount of any one loss or damage.
- (4) The amount payable under this



Additional Coverage is additional insurance.

- (5) The most we will pay for loss in any one "occurrence" is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(6) Special Money & Securities Exclusions**

We will not pay for loss:

- (a) Resulting from accounting or arithmetic errors or omissions;
- (b) Resulting from giving or surrendering of property in any exchange or purchase; or
- (c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- (d) Loss or damage to "money" and "securities" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described "banking premises":
  - (i) To a person (other than a messenger) outside those premises; or
  - (ii) To a place outside those premises.

**32. Money Orders & Counterfeit Money**

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

**Money Orders & Counterfeit Money**

- (1) We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:
  - (a) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
  - (b) "Counterfeit money" that is acquired during the regular course of business.
- (2) The most we will pay for loss in any one "occurrence" is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

- (3) The amount payable under this Additional Coverage is additional insurance.

**33. Newly Acquired or Constructed Property**

**A. Coverage, Paragraph 5. Coverage Extensions**, subparagraph **a.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**a. Newly Acquired or Constructed Property**

**(1) Buildings**

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$2,000,000 at each building or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(2) Business Personal Property**

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
  - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
  - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or

The most we will pay for loss or damage under this



Extension is \$1,000,000 at each building or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(b) This Extension does not apply to:

(i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

(ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) This insurance may not be used to increase your Business Personal Property Limit. It does not apply to personal property you acquire as part of your usual customary business dealings whether or not such acquisition was related to anticipated seasonal demands. Under the terms of this policy, such property is not considered newly acquired, but falls within the provisions for Business Personal Property.

#### (4) Period of Coverage

With respect to insurance provided under this Coverage Extension for newly Acquired or Constructed Property, coverage will end when any of the following first occurs:

(a) This policy expires;

(b) 180 days after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

(c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

### 34. Newly Acquired Locations – Business Income & Extra Expense

#### A. Coverage, Paragraph 6. Coverage

**Extension** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581, **Newly Acquired Locations** is replaced by the following:

#### Newly Acquired Locations

a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.

b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$250,000 at each location or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

(1) This policy expires;

(2) 180 days expire after you acquire or begin to construct the property; or

(3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

### 35. Non-Owned Detached Trailers

**A. Coverage, Paragraph 5. Coverage Extensions**, subparagraph f. **Non-Owned Detached Trailers**, item (3) of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

(3) The most we will pay for loss or damage under this Extension is \$25,000, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

### 36. Ordinance or Law

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

#### Ordinance or Law

(1) This Additional Coverage applies only to buildings which are insured on a Replacement Cost basis.

#### (2) Application of Coverage

This Additional Coverage applies only if both (a) and (b) below are satisfied and are then subject to the

qualifications set forth in **(c)**.

**(a) The Ordinance or Law:**

- (i)** Regulates the construction or repair of a building or structure, or establishes zoning or land use requirements at the described premises;
- (ii)** Requires the demolition of undamaged parts of a covered building or structure that is damaged or destroyed by a Covered Cause of Loss; and
- (iii)** Is in force at the time of loss.

But coverage under this Additional Coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this coverage.

- (b) (i)** The building sustains direct physical damage that is covered under this Policy and such damage results in enforcement of or compliance with the ordinance or law; or
- (ii)** The building sustains both direct physical damage that is covered under this Policy and direct physical damage that is not covered under this Policy, and the building damage in its entirety results in enforcement of or compliance with the ordinance or law.
- (iii)** But if the building sustains both direct physical damage that is covered under this Policy and direct physical damage that is not covered under this Policy, and the damage that is not covered is the subject of the ordinance or law, then there is no coverage under this Additional Coverage.
- (c)** In the situation described in **(b)(ii)** above, we will not pay the full amount of loss otherwise payable under the terms of coverages for Coverage for Loss to Undamaged portion of the Building, Demolition Cost Coverage or Increased Cost

of Construction Coverage. Instead, we will only pay the proportion that covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage alone would have resulted in enforcement of the ordinance or law, then we will pay the full amount of the loss otherwise payable under the terms of Coverage for Loss or Damage to the Undamaged Portion of the Building, Demolition Cost Coverage or Increased Cost of Construction Coverage.

- (3)** We will not pay under this Additional Coverage for the costs associated with the enforcement of any ordinance or law which requires an insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

**(4) Coverage**

**(a) Loss to Undamaged Portion of the Building**

With respect to the building that has sustained covered direct physical damage; we will pay for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building. Coverage for Loss to the Undamaged Portion of the Building is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Coverage does not increase the Limit of Insurance.

**(b) Demolition Cost**

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of the undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

**(c) Increased Cost of Construction**

With respect to the building that has sustained covered direct physical damage; we will pay the increased cost to:

- (i) Repair or reconstruct damaged portions of that buildings; and/or
- (ii) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

When the increased cost is a consequence of enforcement of or compliance with the minimum requirements of the ordinance or law.

However:

This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

**(5) Loss Payment**

- (a) The following loss payment provisions are subject to the apportionment procedure set forth in Section **m.2.(c)** of this Additional Coverage.
- (b) When there is a loss in value of an undamaged portion of the building to which Coverage for Loss to the Undamaged Portion of the building applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
  - (i) If the property is repaired or replaced on the same premises, we will not pay more than the lesser of:
    - 1) The amount you actually spend to repair, rebuild or reconstruct the building,

but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

- 2) The Limit of Insurance shown in the Declarations as applicable to the covered building.
- (ii) If the property is not repaired or replaced, we will not pay more than the lesser of:
  - 1) The actual cash value of the building; or
  - 2) The Limit of Insurance shown in the Declarations as applicable to the covered building.
- (c) The most we will pay for the total of all covered losses for Demolition Cost and Increased Cost of Construction is the Limit of Insurance shown below. Subject to this combined Limit of Insurance, the following loss payment provisions apply:
  - (i) For Demolition Cost, we will not pay for more than the amount you actually spend to demolish and clear the site of the described premises.
  - (ii) For Increased Cost of Construction:
    - 1) We will not pay for the increased cost of construction:
      - a) Until the property is actually repaired or replaced, at the same or another premises; and
      - b) Unless the repairs or replacement are made as soon as possible after the loss or damage, not to exceed two years.
    - 2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will

pay for the increased cost of construction is the increased cost of construction at the same premises.

(iii) The most we will pay for loss under Demolition Cost and Increased Cost of Construction for each building is \$500,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(iv) Under this endorsement we will not pay for loss due to any ordinance or law that:

- 1) You were required to comply with before the loss, even if the building was undamaged; and
- 2) You failed to comply with

### **37. Pollutant Clean-Up and Removal**

**A. Coverage, Paragraph 4. Additional Coverages**, subparagraph d. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

#### **d. Pollutant Clean-Up and Removal**

- (1) We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.
- (2) This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants".
- (3) But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.
- (4) The most we will pay under this Additional Coverage for each described premises is \$100,000, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, for the sum of all covered expenses arising out

of Covered Causes of Loss occurring during each separate 12-month period of this policy.

- (5) This Additional Coverage is an additional amount of insurance.

### **38 Preservation of Property**

**A. Coverage, Paragraph 4. Additional Coverage**, subparagraph b. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

#### **b. Preservation of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 90 days after the property is first moved.

### **39. Preservation of Property – Expense**

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

#### **Preservation of Property – Expense**

- (1) If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay your expenses to move or store the Covered Property.
- (2) This coverage applies for 90 days after the property is first moved, but does not extend past the date on which this policy expires.
- (3) The most we will pay under this Additional Coverage is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) Additional Coverage The amount payable under this is additional insurance.

### **40. Property in Transit**

**F. Additional Coverage Extensions**, Paragraph 1. of Causes of Loss – Special Form CP 10 30 is replaced by the following:

#### **1. Property in Transit**

- a. You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to your property or property of others that is in your care, custody or control while "in transit".
- b. You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to outgoing shipments that have been rejected, while in due course of transit back to you or while awaiting return shipment to you.
- c. This Extension applies to the property while:
  - (1) In a vehicle owned, leased or operated by you; or
  - (2) In the custody of a common carrier or contract carrier.
- d. The following Exclusions do not apply to this Extension:
  - (1) Earth Movement; and
  - (2) Water.
- e. The most we will pay for loss or damage under this Extension is \$100,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- f. This Coverage Extension is additional insurance.
- g. **Special Property in Transit Exclusions**  
This Extension does not apply to:
  - (1) Shipments that belong to others that you are transporting for a fee;
  - (2) Salesperson's samples; or
  - (3) Loss to "perishable stock" resulting from a breakdown of refrigeration equipment on any vehicle owned, leased or operated by you or while in the custody of a common or contract carrier.

#### 41. Property Off Premises

**A. Coverage, Paragraph 5. Coverage Extensions, subparagraph d. of Building**

and Personal Property Coverage Form CP 00 10, is replaced by the following:

#### d. Property Off Premises

- (1) You may extend the insurance that applies to Business Personal Property while:
  - (a) Temporarily at a location you do not own, lease or operate; or
  - (b) At any fair, trade show or exhibition.
- (2) The most we will pay for loss or damage under this Extension is \$150,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) **Special Property Off Premises Exclusion**  
This extension does not apply to property:
  - (a) In or on a vehicle; or
  - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

#### 42. Prototypes

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

#### Prototypes

- (1) You may extend the insurance that applies to your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to "prototypes" related to your "research and development operations" that:
  - (a) You own; or
  - (b) Are owned by others and in your care, custody or control; while at a described premises.
- (2) We will not pay for loss or damage to "prototypes" until you actually replicate such property. Repairs or replication must be made as soon as reasonably possible after the loss or damage, but in no event later than two years after the loss or damage unless we grant an extension in writing prior to the expiration of the two year period.



- (3) Payment under this Extension is included within your Business Personal Property Limit of Insurance.

#### **43. Rewards – Arson, Theft, Vandalism**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages**, of Building and Personal Property Coverage Form CP 00 10:

##### **Rewards – Arson, Theft, Vandalism**

- (1) We will reimburse you for payment of any reward offered on your behalf and for information that leads to the arrest and conviction of the person or persons responsible for:
  - (a) Arson;
  - (b) "Theft"; or
  - (c) Vandalism
 to Covered Property.
- (2) The arrest or conviction must involve a covered loss caused by arson, "theft" or vandalism.
- (3) The most we will pay under this Additional Coverage is \$75,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement. The amount we pay is not increased by the number of persons involved in providing the information.
- (4) The amount payable under this Additional Coverage is additional insurance.
- (5) The deductible does not apply to this Additional Coverage.

#### **44. Sales Representative Samples**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Sales Representative Samples**

- (1) We will pay for direct physical loss or damage by a Covered Cause of Loss to samples of your "stock" in trade (including containers) while:
  - (a) In the custody of your sales representative, agent or any "employee" who travels with sales samples;
  - (b) In your custody while acting as a sales representative; or
  - (c) "In transit" between the described premises and your sales

representatives.

- (2) The following Exclusions do not apply to this Additional Coverage:
  - (a) Earth Movement; and
  - (b) Water.
- (3) The most we will pay for any loss or damage under this Additional Coverage is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) The amount payable under this Additional Coverage is additional insurance.
- (5) We will not pay for loss to the following property:
  - (a) Property which has been sold;
  - (b) Jewelry, precious or semiprecious stones, gold, silver, platinum or other precious metals or alloys;
  - (c) Fur, fur garments of garments trimmed with fur; or
  - (d) Any property while waterborne.

#### **(6) Special Sales Representative Sample Exclusion**

We do not cover loss resulting from "theft" from an unattended vehicle, except when it is securely locked its windows are fully closed, and there is visible evidence that entry into the vehicle was forced.

#### **45. Seasonal Increase – Business Personal Property**

The following is added to **A. Coverage**, Paragraph **5 Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Seasonal Increase – Business Personal Property**

- (1) The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations in your business.
- (2) This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lessor of:
  - (a) The 12 months immediately preceding the date the loss or damage occurs; or
  - (b) The period of time you have been in business as of the date the loss



or damage occurs

#### **46. Sewer Backup**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Sewer Backup**

(1) We will pay for direct physical loss or damage to Covered Property at the described premises, solely caused by or resulting from water or waterborne material carried or moved by water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment. The term drain includes a roof drain and its related fixtures.

(2) Payment under this Additional Coverage is included within the applicable Limit of Insurance for Covered Property at the location of loss or damage.

##### **(3) Special Sewer Backup Exclusion**

We will not pay for:

- (a) Loss or damage from water or other materials that back-up or overflow from any sewer or drain, sump, sump pump or related equipment when it is caused by or results from any "flood", regardless of the proximity of the back-up or overflow to the "flood" condition; or
- (b) Failure to keep a sump pump or its related equipment in proper working condition; or
- (c) Failure to perform routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

#### **47. Soft Costs**

The following is added to **A. Coverage**, Paragraph **5 Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Soft Costs**

(1) We will pay the actual "soft cost expenses" that arise out of a delay in the construction, erection or fabrication of a Covered Building that is listed in paragraphs **A.1.a.(5)** of Building and Personal Property Coverage Form CP 00 10 and Section **III.A.3.a.(11)** of this

endorsement resulting from direct physical loss or damage to that Covered Building from a Covered Cause of Loss.

(2) We will only pay the necessary "soft cost expenses" that are over and above those costs that would have been incurred had there been no delay.

(3) The most we will pay under this Extension in any one "occurrence" is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

#### **48. Temporary Relocation of Property**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Temporary Relocation of Property**

(1) We will pay for loss of or damage to Covered Property from a Covered Cause of Loss while it is away from the described premises, if it is being stored temporarily at a location you do not own, lease or operate while the described premises is being renovated or remodeled.

(2) This coverage applies for 90 days after the property is first moved, but does not extend past the date on which this policy expires.

(3) The most we will pay under this Additional Coverage is \$100,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(4) The amount payable under this Additional Coverage is additional insurance.

#### **49. Tenant Glass**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Tenant Glass**

(1) If glass in a building you occupy, but do not own, is damaged, we will pay for direct physical loss of or damage to glass.

(2) This insurance includes replacement of lettering, artwork, ornamentation, sensors or other items permanently affixed to, or a part of a building at an

insured location.

- (3) For coverage to apply, the glass must be in your care, custody or control and repairs must be made at your expense.
- (4) We will also pay for necessary:
  - (a) Expenses incurred to put up temporary plates or board up openings when repair or replacement of the damaged glass is delayed;
  - (b) Repair or replacement of encasing frames; and
  - (c) Expenses incurred to remove or replace obstructions to repair or replace the damaged glass.

This does not include the cost of removing, replacing or rebuilding window displays.

- (5) Paragraph **B. Exclusions** of Causes of Loss Special Form CP 10 30 does not apply to this Additional Coverage, except for:

- (a) Paragraph **B.1.b. Earth Movement**;
- (b) Paragraph **B.1.c. Governmental Action**;
- (c) Paragraph **B.1.d. Nuclear Hazard**;
- (d) Paragraph **B.1.f War & Military Action**; and
- (e) Paragraph **B.1.g. Water**.
- (6) We will not pay for loss or damage caused by or resulting from:
  - (a) Wear and tear;
  - (b) Hidden or latent defect;
  - (c) Corrosion; or
  - (d) Rust;

whatever its origin or cause.

- (7) The most we will pay for loss or damage in an "occurrence" under this Additional Coverage is \$15,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (8) The amount payable under this Additional Coverage is additional insurance.

#### **50. Tenant Relocation**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of

Building and Personal Property Coverage Form CP 00 10:

#### **Tenant Relocation**

- (1) In the event that your tenants must temporarily vacate the covered Building at the described premises due to untenability caused by direct physical loss or damage by a Covered Cause of Loss, we will pay the following expenses you actually incur to move those tenants out of and back into your covered Building.
- (2) We will only pay for the following expenses:
  - (a) Packing, transporting and unpacking the tenant's Business Personal Property including the cost of insuring the move out and back and any necessary disassembly and reassembly or setup of furniture and equipment; and
  - (b) The net cost to discontinue and re-establish the tenants' utility and telephone services, after any refunds due the tenants.
- (3) We will only pay for these expenses that you actually incur within 60 days of the date that the damaged buildings has been repaired or rebuilt.
- (4) Regardless of the number of tenants' involved, the most we will pay in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

#### **51. Theft Damage to Building**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

#### **Theft Damage to Building**

- (1) You may extend the insurance that applies to your Business Personal property to apply to direct physical loss or damage to:
  - (a) That part of the non-owned building where you are a tenant; and
  - (b) Non-owned equipment within the building used to maintain or service the building;

Caused by or resulting from "theft" or attempted "theft".

- (2) This Extension applies only to a premise where you are a tenant and to this premises and non-owned equipment only if you have a contractual obligation to insure.
- (3) Payment under this extension is included within the Limit of Insurance applicable to your Business Personal property.
- (4) We will pay nothing if others pay for the repairs or replacement.

## **52. Transit Business Income & Extra Expense**

The following is added to **A. Coverage**, Paragraph **5. Additional Coverages** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581:

### **Transit Business Income & Extra Expense**

- (1) We will pay the actual loss of Business Income you sustain and necessary and reasonable Extra Expense you incur caused by direct physical loss of or direct physical damage to Covered Property while “in transit” caused by or resulting from a Covered Cause of Loss.
- (2) The following Exclusions do not apply to this Additional Coverage:
  - (a) Earth Movement; and
  - (b) Water.
- (3) The most we will pay for loss in any one “occurrence” under this Additional Coverage is \$75,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) The amount payable under this Additional Coverage is additional insurance.

## **53. Undamaged Tenants Improvements and Betterments**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### **Undamaged Tenants Improvements and Betterments**

- (1) You may extend the insurance that applies to your Business Personal Property to apply to your use as a tenant in the undamaged portion of

Improvements and Betterments due to the cancellation of your written lease:

- (a) Made part of the building or structure you occupy but do not own; and
  - (b) You acquired but cannot legally remove.
- (2) The cancellation must result from:
- (a) Direct physical loss or damage to a building at premises described in the Declarations caused by or resulting from any Covered Cause of Loss
- (3) We will determine the proportionate value of Undamaged Tenants Improvements and Betterments as Follows:
- (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
  - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (4) The most we will pay for loss or damage under this Extension in any one “occurrence” is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
  - (5) The amount payable under this Coverage Extension is additional insurance.

## **54. Underground Water Seepage**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### **Underground Water Seepage**

- (1) We will pay for direct physical loss or damage to Covered Property at the described premises, caused by or resulting from water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces; or

(b) Basements, whether paved or not.

- (2) The most we will pay for loss in any one "occurrence" under this Additional Coverage is \$50,000.
- (3) The amount payable under this Additional Coverage is additional insurance.

#### **55. Unintentional Property Reporting Errors**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

#### **Unintentional Property Reporting Errors**

- (1) If "you" unintentionally failed to report or describe a location to "us", coverage provided by this policy will not be invalid. However, "you" must report such errors or omission to "us" in writing as soon as you discover them. "You" also agree to pay the additional premium that would have been earned by "us" if the location was correctly reported to "us".
- (2) This Additional Coverage only applies to direct loss or damaged caused by a Covered Cause of Loss at the omitted location and does not include any coverage for the perils of flood or earthquake even if flood and earthquake coverage is purchased for this or another policy.
- (3) You must provide reasonable documentation and clear and convincing evidence explaining the cause of the oversight.
- (4) For any location you have failed to report to us, this coverage will end when any of the following first occurs:
  - (a) This policy expires; or
  - (b) You report values to us.
- (5) The most we will pay for any loss under this Additional Coverage in any one policy period regardless of the number of occurrences or reporting errors or omissions is \$500,000.
- (6) The amount payable under this Additional Coverage is additional insurance.
- (7) This Additional Coverage does not apply to a loss that is covered under **Newly Acquired or Constructed Property** coverage.

#### **56. Unnamed Locations**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

#### **Unnamed Locations**

- (1) You may extend the insurance that applies to your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to your property or property of others that is in your care, custody or control while it is at other than a described location, but located within the Coverage Territory.
- (2) **Special Unnamed Locations Exclusions**  
This Extension does not apply to:
  - (a) Loss or damage caused directly or indirectly by "Flood" or Earthquake, even when these Causes of Loss are added to this policy by endorsement.
  - (b) Loss or damage covered under the following Additional Coverages or Extensions:
    - (i) Property in Transit
    - (ii) Sales Representatives Samples; or
    - (iii) Property on Exhibition.
  - (c) Any property that is covered under this Coverage Part or policy, or any other policy, whether collectible or not.
- (3) The most we will pay for loss or damage in any one "occurrence" under this Extension of Coverage is \$150,000, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, regardless of the number of unnamed locations.

#### **57. Utility Services**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

#### **Utility Services**

- (1) We will pay for loss of or damage to Covered Property caused by an interruption in service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property

not on the described premises that provides the services shown below in paragraph (3).

The most we will pay for loss in any one "occurrence" under this Additional Coverage is \$100,000 at each described premises or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

- (2) We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur caused by the interruption of service at the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property not on the described premises that provides the services shown below in paragraph (3).

We will only pay for loss you sustain after the first 24 hours following the direct physical loss or damage to the property described above.

The most we will pay for loss in any one "occurrence" under this Additional Coverage is \$100,000 at each described premises or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(3) Services:

- (a) Water Supply Services, meaning the following types of property supplying water to the described premises:
- (i) Pumping stations; and
  - (ii) Water mains.
- (b) Communication Supply Services, meaning the following types of property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
- (i) Communication transmission lines, including optic fiber transmission lines;
  - (ii) Coaxial cables; and
  - (iii) Microwave radio relays except satellites.
- (c) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

- (i) Utility generating plants;
- (ii) Switching stations;
- (iii) Substations;
- (iv) Transformers; and
- (v) Transmission lines.

Services under this Additional Coverage do not include overhead transmission lines that deliver utility services to you. Overhead transmission lines include, but are not limited to:

- (vi) Overhead transmission and distribution lines;
- (vii) Overhead transformers and similar equipment; and
- (viii) Supporting poles and towers.

- (4) As used in this additional coverage, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

- (5) This coverage is not an additional amount of insurance.

- (6) Coverage under this Additional Coverage for loss or damage to Covered Property does not apply to loss or damage to "electronic data", including destruction or corruption of "electronic data".

**(7) Special Utility Services Exclusion**

Coverage under this Additional Coverage does not include loss of "perishable goods" due to "spoilage" that results from:

- (a) Complete or partial lack of electrical power; or
- (b) Fluctuation of electrical current.

**58. Voluntary Parting**

The following is added to **A. Coverage**, Paragraph 4. **Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

**Voluntary Parting**

- (1) We will pay for loss or damage to covered property when you or your "employees" are fraudulently induced to part with Covered Property to or by:
- (a) Persons who falsely represent themselves as the proper persons to receive the property; or



(b) Acceptance of fraudulent bills of lading or shipping receipts.

- (2) The most we will pay under this additional coverage is \$50,000 for any one "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

#### **59. Water Damage, Other Liquids, Powder or Molten Material Damage**

**F. Additional Coverage Extensions,** Paragraph 2. of Causes of Loss – Special Form CP 10 30 is replaced by the following:

##### **2. Water Damage, Other Liquids, Powder or Molten Material Damage**

- a. If loss or damage caused by or resulting from covered water damage or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure, or, in the case of underground pipes, lawns, shrubs or paved areas, to repair damage to the system or appliance from which the water or other substance escapes.
- b. Payment under this Additional Coverage is included within the applicable Limit of Insurance. The maximum we will pay for loss or damage to lawns, shrubs or paved areas is \$50,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**THIS IS NOT FLOOD INSURANCE OR PROTECTION FROM AN INUNDATION OF SURFACE WATER, HOWEVER CAUSED.**

#### **60. Windblown Debris**

The following is added to **A. Coverage**, Paragraph 5. **Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Windblown Debris**

- (1) We will pay your reasonable expenses to remove the windblown debris (including trees) from the described premises, if it is carried to the described premises from the premises of others by wind, during the policy period.
- (2) The most we will pay in any one

"occurrence" in total for the removal of all windblown debris under this Extension is \$10,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

#### **61. Worldwide Property Off-Premises**

The following is added to **A. Coverage**, Paragraph 5. **Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Worldwide Property Off-Premises**

- (1) You may extend the insurance that applies to your Business Personal Property and Personal Property of Others to apply to that property while it is temporarily outside the coverage territory if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) Temporarily on display or exhibit at any fair, trade show or exhibition;
  - (c) Samples of your "stock" in trade in the custody of your sales representatives; or
  - (d) While "in transit" between the described premises and a location described in (a), (b) or (c) above.
- (2) The most we will pay for loss or damage under this Extension is \$75,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) This Extension provides an additional amount of insurance.

#### **B. Coverages Included within the Blanket Limit of Insurance**

##### **1. Accounts Receivable**

The following is added to **A. Coverage**, Paragraph 4. **Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Accounts Receivable**

- (1) We will pay for loss or damage caused by or resulting from a Covered Cause of Loss to your records of Accounts Receivable.

Accounts Receivable means:

- (a) All amounts due from your customers that you are unable to collect;
- (b) Interest charges on any loan



required to offset amounts you are unable to collect pending our payment of these amounts;

- (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
  - (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable.
- (2) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

### (3) Special Accounts Receivable Exclusions

We will not pay for loss or damage:

- (a) Caused by alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or "other property".  
This exclusion applies only to the extent of the wrongful giving, taking or withholding
- (b) Caused by bookkeeping, accounting or billing errors or omissions
- (c) That requires any audit of records or any inventory computation to prove its factual existence.

## 2. Deferred Payments

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 0010:

### Deferred Payments

- (1) We will pay for your interest in lost or damaged Personal Property sold by you under a conditional sale or trust agreement or any installment or deferred payment plan after delivery to buyers. The loss or damage must be caused by a Covered Cause of Loss.
- (2) When a total loss to that property occurs, deferred payments are valued on the amount shown on your books as due from the buyer.

When a partial loss to that property occurs and the buyer refuses to continue payment, forcing you to repossess, deferred payments are valued as follows:

- (a) If the realized or appraised value of the repossessed property is greater than or equal to the amount shown on your books as due from the buyer, we will make no payment; but
  - (b) If the realized value of the repossessed property is less than the amount shown on your books as due from the buyer, we will pay the difference.
- (3) When loss occurs and the buyer continues to pay you, there will be no loss payment.
- (4) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

## 3. Fine Arts

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### Fine Arts

- (1) We will pay for direct physical loss to "fine arts" which are your property or the property of others in your care, custody or control while on the described premises. We also cover your "fine arts" while temporarily on display or exhibit away from the described premises or while "in transit" between the described premises and a location where the "fine arts" will be temporarily on display or exhibit.
- (2) The following Exclusions do not apply to this Additional Coverage:
  - (a) Earth Movement; and
  - (b) Water.
- (3) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this

Endorsement.

- (4) The amount payable under this Additional Coverage is additional insurance.

**(5) Special Fine Arts Exclusion**

We will not pay for any loss caused by or resulting from:

- (a) Breakage of statuary, glassware, bric-a-brac, marble, porcelain and similar fragile property. But we will pay if the loss or damage is caused directly by a "specified cause of loss", earthquake or flood; and
- (b) Any repairing, restoration or retouching of the "fine arts".

**4. Fire Department Service Charge**

**A. Coverage, Paragraph 4. Additional Coverages**, subparagraph c. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**c. Fire Department Service Charge**

- (1) When the fire department is called to save or protect Covered Property from a Covered Loss, we will pay your actual expenses for your liability for fire department service charges at each described premises.
- (2) This Additional Coverage applies to your liability for fire department service charges:
  - (a) Assumed by contract or agreement prior to loss; or
  - (b) Required by local ordinance.
- (3) No deductible applies to this Additional Coverage.
- (4) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at each described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (5) Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

**5. Movement of Property**

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Movement of Property**

- (1) You may extend the insurance that applies to Covered Property to apply to direct physical loss or damage from a Covered Cause of Loss to your Business Personal Property from an insured location which has been deleted from this policy if:
  - (a) You moved Covered Property from the deleted location to a new premises; and
  - (b) A Limit of Insurance for the new premises has been added to this policy; and
  - (c) The direct physical loss or damage occurs to Covered Property at the prior insured location before the movement of property to the new premises is completed.
- (2) Insurance under this Coverage Extension will end when any of the following first occurs:
  - (a) The movement of property to the new premises is completed; or
  - (b) 30 days after the effective date of the endorsement adding the new premises.
- (3) Regardless of the number of described premises involved, the most we will pay under this Extension for loss or damage in any one "occurrence" is subject to the Blanket Coverage Limit of Insurance, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**6. Outdoor Property**

**A. Coverage, Paragraph 5. Coverage Extensions**, subparagraph e of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**e. Outdoor Property**

- (1) You may extend insurance provided by this Coverage Form to apply to your radio and television antennas (including satellite dishes), trees, shrubs, plants and lawns which are "stock" or are a part of a vegetated roof, including

debris removal expense, caused by or resulting from any of the following causes of loss:

- (a) Fire;
  - (b) Windstorm;
  - (c) Hail;
  - (d) Lightning;
  - (e) Explosion;
  - (f) Riot or Civil Commotion;
  - (g) Vandalism;
  - (h) Aircraft or Vehicles;
  - (i) Theft; or
  - (j) Falling Objects.
- (2) Coverage under this Extension does not apply to property held for sale by you.
- (3) We will not pay more than \$1,000 for loss or damage to any one tree, shrub or plant under this Extension.
- (4) Regardless of the number of described premises involved, the most we will pay under this Extension for loss or damage in any one "occurrence" is subject to the Blanket Coverage Limit of Insurance, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

## 7. Personal Effects & Property of Others

**A. Coverage, Paragraph 5. Coverage Extensions, subparagraph b.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

### **b. Personal Effects & Property of Others**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to:
- (a) Personal effects owned by you, your officers, your partners or members, your managers or officers, your directors, your trustees or your employees.
  - (b) Personal property of others in your care, custody or control.
- (2) We will not pay more than \$5,000 in total for loss or damage for any one person, in any one "occurrence". Our payment for

loss or damage to personal property of others will only be for the account of the owner of the property. No deductible applies to this Extension.

- (3) Regardless of the number of persons involved, the most we will pay under this Extension is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

## 8. Research and Development Documentation

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### **Research and Development Documentation**

- (1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage, resulting from a Covered Cause of Loss, to "research and development documentation" that you own or that is in your care, custody or control at a described premises.
- (2) Paragraph **B. Exclusions** of Causes of Loss – Special Form CP 10 30 do not apply to this Coverage Extension, except for:
- (a) Paragraph **B.1.c. Governmental Action**;
  - (b) Paragraph **B.1.d. Nuclear Hazard**;
  - (c) Paragraph **B.1.f. War and Military Action**;
  - (d) Paragraph **B.2.h. Dishonesty**;
  - (e) Paragraph **B.2.i. False Pretense**; and
  - (f) Paragraph **B.3.**
- (3) This Coverage Extension does not apply to loss or damage caused by or resulting from:
- (a) Electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:
    - (i) Programming errors or faulty machine instructions; or
    - (ii) Faulty installation or

maintenance of data processing equipment or component parts.

- (b) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the direct loss or damage caused by the fire or explosion;
  - (c) Erasure of "research and development documentation"; or
  - (d) Unauthorized instructions to transfer property to any person or place.
- (4) Coverage provided by this Extension does not apply to "research and development documentation" which exist as "electronic data".
- (5) We will not pay for loss or damage to "research and development documentation" until you actually replicate such documentation. Repairs or replication must be made as soon as reasonably possible after the loss or damage, but in no event later than two years after the loss or damage unless we grant an extension in writing prior to the expiration of the two-year period.
- (6) We will not pay for loss or damage to "research and development documentation" applicable to:
- (a) Products that are obsolete;
  - (b) Existing products you have withdrawn from the market; or
  - (c) Existing products you have not sold in the last twelve months prior to the loss.
- (7) Regardless of the number of insured locations involved, the most we will pay under this Extension for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- 9. Valuable Papers and Records (Other Than Electronic Data)**
- A. Coverage, Paragraph 5. Coverage Extensions,** subparagraph **c.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**c. Valuable Papers and Records (Other Than Electronic Data)**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by a Covered Cause of Loss. This Extension includes the cost to research, replace or restore the lost information that previously existed on "valuable papers and records" for which duplicates do not exist.
- (2) The following Exclusions do not apply to this Coverage Extension:
  - (a) Earth Movement; and
  - (b) Water.
- (3) The most we will pay under this Extension for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**IV. VALUATION**

**A. E. Loss Conditions, Paragraph 7. Valuation,** subparagraph **b.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

- b.** If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering;
- (3) Outdoor equipment or furniture; or
- (4) Retaining walls.

**B.** The following is added to **E. Loss Conditions,**

Paragraph 7. **Valuation** of Building and Personal Property Coverage Form CP 00 10:

- f. "Valuable papers and records" at the cost of restoration or replacement, including the cost of data entry, re-programming, computer consultation services and the media on which the data or programs reside. To the extent that the contents of the "valuable papers and records" are not replaced or restored, the "valuable papers and records" will be valued at the cost of blank materials for reproducing the records and the labor to transcribe or copy the records when there is a duplicate.
- g. "Money" at its face value.
- h. "Securities" at their value at the close of business on the day the loss is discovered.
- i. Accounts Receivable:
  - (1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
    - (a) We will determine the total of the average monthly amounts of accounts receivable for the 12 months preceding the month in which loss or damage occurs; and
    - (b) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
  - (2) The following will be deducted from the total amount of accounts receivable, however that amount is established:
    - (a) The amount of the accounts for which there is no loss or damage;
    - (b) The amount of the accounts that you are able to re-establish or collect; an amount to allow for probable bad debts that you are normally unable to collect;
    - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
    - (d) All unearned interest and service charges.
- j. Property "in transit" (other than "stock" you have sold) at the amount of invoice, including your prepaid or advanced freight charges and other charges which may

have accrued or become legally due since the shipment. If you have no invoice, actual cash value will apply.

- k. "Hardware":
  - (1) "Hardware" that is replaced will be at the cost of replacing the "hardware" with new equipment that is functionally comparable to the "hardware" that is being replaced.
  - (2) "Hardware" that is not replaced will be at actual cash value at the time of loss.
  - (3) In no event will we pay more than the reasonable cost of restoring partially damaged "hardware" to its condition directly prior to the damage.
- l. "Software":
  - (1) "Programs and applications" will be at the cost to reinstall the "programs and applications" from the licensed discs that were originally used to install the programs or applications.  
If the original licensed discs are lost, damaged, or can no longer be obtained, the value of "programs and applications" will be based on the cost of the most current version of the "programs or applications".
  - (2) "Proprietary programs" will be at the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies.  
If duplicate copies do not exist, the value of "proprietary programs" will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost "proprietary programs".
  - (3) "Electronic data" will be at the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies.  
If duplicate copies do not exist, the value of "electronic data" will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost files, documents and records.
  - (4) "Media" will be at the cost to repair or replace the "media" with material of the same kind or quality.



**m. "Fine Arts"**

We will pay the lesser of:

- (1) The market value at the time of loss or damage;
- (2) The reasonable cost of repair or restoration to the condition immediately before the covered loss or damage; or
- (3) The cost of replacement with substantially identical property.

For pairs or sets, we will either:

- (a) Repair or replace any part to restore the value and condition of the pair or set to that immediately before the covered loss or damage; or
- (b) Pay the difference between the value of the pair or set before and after the covered loss or damage.

**n. Property of Others** – our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

**o.** We may elect to defend you against suits arising from claims of owners or property. We will do this at our expense.

**p.** Labor, materials and services that you furnish or arrange on personal property of others are valued based on the actual cost of the labor, materials and services.

**q.** Finished "stock" you manufactured at the selling price less discounts and expenses you otherwise would have had.

**r. "Prototypes"**

We will not pay more than the lesser of the following amounts:

- (1) The replacement cost of such property used for the same product, but only if replacement cost is shown as applicable to Personal Property in the Declarations.

However, when replacement with identical property is impossible or unnecessary, the amount of loss will be based on the cost to replace with similar property used to perform the same functions. Property of others will be valued in the same manner, but we

will not pay more than the amount for which you are legally liable; or

- (2) The amount you actually spend to repair or replace lost or damaged "prototypes" used for the same purpose.

**s. "Research and development documentation":**

We will not pay more than the least of the following amounts:

- (1) Your cost actually spent to reproduce lost or damaged "research and development documentation" from back-up files or original source documents;
- (2) The reasonable cost necessary to research, repair, restore, recreate, reconstitute, reproduce or replace "research and development documentation", used for the same product, to their condition immediately before the loss or damage;
- (3) If identical "research and development documentation" cannot be purchased, the cost to purchase such documentation of comparable kind, functionality and quality; or
- (4) The amount you actually spend to research, repair, restore, recreate, reconstitute, reproduce or replace "research and development documentation", used for the same product.

But we will not pay more than the cost to restore "research and development documentation" to its condition immediately prior to the loss.

## **V. DEFINITIONS**

The following is added to Paragraph **H.** of Building and Personal Property Coverage Form CP 00 10:

### **H. Definitions**

1. "Antiques" means an object having value because its:
  - a. Craftsmanship is in the style or fashion of former times; and
  - b. Age is 100 years or older.
2. "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
3. "Communicable disease" means a bacterial micro-organism transmitted through human contact with food.



4. "Computer equipment" means:
  - a. "Hardware" owned by you or in your care, custody or control;
  - b. "Software"; or
  - c. "Protection and control equipment".
5. "Computer hacking" means an unauthorized intrusion by an individual or group of individuals, whether employed by you or not, into "hardware" or "software", a Web site, or a computer network and that results in but is not limited to:
  - a. Deletion, destruction, generation, or modification of "software";
  - b. Alteration, contamination, corruption, degradation, or destruction of the integrity, quality or performance of "software";
  - c. Observation, scanning, or copying of "electronic data", "programs and applications", and "proprietary programs";
  - d. Damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media" used with "hardware"; or
  - e. Denial of access to or denial of services from "hardware", "software", computer network, or Web site including related "software".
6. "Computer Virus" means the introduction into "hardware", "software", computer network, or Web site of any malicious, self-replicating electronic data processing code or other code and that is intended to result in, but is not limited to:
  - a. Deletion, destruction, generation, or modification of "software";
  - b. Alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of "software";
  - c. Damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media" used with "hardware"; or
  - d. Denial of access to or denial of services from "hardware", "software", computer network, or Web site including related "software".
7. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.
8. "Denial of service attack" means the malicious direction or a high volume of worthless inquiries to Website or e-mail destinations, effectively denying or limiting legitimate access regardless of whether or not damage to "computer equipment" results.
9. "Dependent property" means property operated by others whom you depend on to:
  - a. Deliver materials or services to you, or to others for your account. But any property which delivers any of the following services is not a dependent property with respect to such services:
    - (1) Water supply services;
    - (2) Power supply services; or
    - (3) Communication supply services, including services relating to Internet access or access to any electronic network;
  - b. Accept your products or services;
  - c. Manufacture products for delivery to your customers under contract of sale; or
  - d. Attract customers to your business.
10. "Dependent property period of restoration" means the period of time that:
  - a. Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the "dependent property"; and
  - b. Ends on the date when the property at the premises of the "dependent property" should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Dependent property period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

  - c. Regulates the construction, use or repair, or requires the tearing down, of any property; or
  - d. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "dependent property period of restoration".
11. "Discover" or "Discovered" means:

- a. The time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this policy has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details may not be known.
  - b. "Discover" or "Discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this policy.
12. "Electrical disturbance" means electrical or magnetic damage, disturbance of electronic recordings, or erasure of electronic recordings.
13. "Electronic data" means files, documents, information and "programs and applications" in an electronic format and that are stored on "media".
14. "Electronic vandalism" means "computer hacking", "computer virus" or a "denial of service attack". "Electronic vandalism" does not include the theft of any property or services.
15. "Employee" means:
- a. Any natural person:
    - (1) While in your service and for the first 30 days immediately after termination of service;
    - (2) Who you compensate directly by salary, wages or commissions; and
    - (3) Who you have the right to direct and control while performing services for you;
  - b. Any natural person who is furnished temporarily to you:
    - (1) To substitute for a permanent "employee" as defined in paragraph a.(1), who is on leave; or
    - (2) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the premises;
  - c. Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary "employee" as defined in paragraph a.(2);
  - d. Any natural person who is:
    - (1) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; and
    - (2) A director or trustee of yours while that person is engaged in handling "funds" or "other property" of any "employee benefit plan";
  - e. Any natural person who is a former "employee", partner, "manager", director or trustee retained as a consultant while performing services for you;
  - f. Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody or property outside the described premises;
  - g. Any "employee" of an entity merged or consolidated with you prior to the effective date of this policy; or
  - h. Any of your "managers", directors or trustees while:
    - (1) Performing acts within the scope of the usual duties of an "employee"; or
    - (2) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.

"Employee" does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph 15. of this section.
16. "Employee benefit plan" means any welfare or pension benefit plan shown that you sponsor and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.

17. "Fine arts" means paintings, etchings, pictures, tapestries, rare art glass, art glass windows, valuable rugs, statuary, sculptures, "antique" jewelry, bric-a-brac, porcelains and similar property of rarity, historical value or artistic merit.
18. "Flood" means a general and temporary condition of partial or complete inundation of normally dry land areas due to:
  - a. The overflow of inland or tidal waters;
  - b. The unusual or rapid accumulation of runoff of surface waters from any source; or
  - c. Mudslides or mudflows which are caused by flooding as defined in b. above. For the purpose of this Covered Cause of Loss, a mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.
19. "Food contamination" means an incidence of food poisoning to one or more of your customers as a result of:
  - a. Tainted food you purchased;
  - b. Food which has been improperly stored, handled or prepared; or
  - c. A "communicable disease" transmitted through one or more of your "employees".
20. "Fraudulent instruction" means:
  - a. An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
  - b. A written instruction issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
  - c. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an employee but which was in fact fraudulently transmitted by someone else without your or the employee's knowledge or consent
21. "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
22. "Funds" means "money" and "securities".
23. "Hardware" means a network of electronic machine components (microprocessors) capable of accepting instructions and information, processing the information according to the instructions, and producing desired results. "Hardware" includes but is not limited to:
  - a. Mainframe and mid-range computers and servers;
  - b. Personal computers and workstations;
  - c. Laptops, palmtops, notebook PCs, other portable computer devices and accessories including, but not limited to, multimedia projectors; and
  - d. Peripheral data processing equipment, including but not limited to, printers, keyboards, monitors, and modems.
24. "Installation, tools and equipment property" means:
  - a. Materials, supplies, machinery, fixtures and equipment that will become a permanent part of your installation while:
    - (1) Located at the site of installation;
    - (2) "In transit" by you to or from the described premises and the job site; or
    - (3) While in temporary storage awaiting installation.
  - b. Commercial tools and equipment usual to your business and used in your installation which are:
    - (1) Your property; or
    - (2) The property of others in your care, custody or control.

Commercial tools and equipment does not include:

    - (3) Aircraft or watercraft;
    - (4) Any property while waterborne, airborne or underground;
    - (5) Property you have loaned, rented or leased to others;
    - (6) Property that is permanently mounted to a vehicle; or
    - (7) Property held for sale.

25. "In transit" means in the course of shipment from or to the premises shown in the Declarations. It includes such shipments while temporarily stopped or delayed, incidental to the delivery.
26. "Manager" means a person serving in a directorial capacity for a limited liability company.
27. "Member" means an owner of a limited liability company represented by its membership interest who, if a natural person, may also serve as a "manager".
28. "Mechanical breakdown" means the malfunction or failure of moving or electronic parts, component failure, faulty installation, or blowout.
29. "Media" means an instrument that is used with "hardware" and on which "electronic data", "programs and applications", and "proprietary programs" can be recorded or stored. "Media" includes, but is not limited to, films, tapes, cards, discs, drums, cartridges, cells, DVDs, or CD-ROMs.
30. "Money" means:
- a. Currency, coins and bank notes in current use and having a face value; and
  - b. Travelers checks, register checks and money orders held for sale to the public.
31. "Occurrence" means all loss or damage that is attributable to:
- a. An act, event, cause or series of similar, related acts, events or causes involving one or more persons; or
  - b. An act, event, cause or series of similar, related acts, events or causes not involving any person.
32. "Operations" means your business activities occurring at the described premises.
33. "Other property" means tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, electronic data or any property specifically excluded under this policy.
34. "Perishable goods" means personal property:
- a. Maintained under controlled temperature or humidity conditions for preservation; and
  - b. Susceptible to loss or damage if the controlled temperature or humidity conditions change.
35. "Power supply disturbance" means interruption of power supply, power surge, blackout, or brownout.
36. "Programs and applications" means operating programs and applications that you purchase and that are:
- a. Stored on "media"; or
  - b. Pre-installed and stored in "hardware".
- Applications includes, but is not limited to, programs for word processing, spreadsheet calculations, and graphic design.
37. "Proprietary programs" means proprietary operating programs and applications that you developed or that you had developed specifically for use in your "operations" and that are:
- a. Stored on "media"; or
  - b. Installed and stored in "hardware".
38. "Protection and control equipment" means:
- a. Air conditioning equipment used exclusively in the operation of the "hardware";
  - b. Fire protection equipment used for the protection of the "hardware", including automatic and manual fire suppression equipment and smoke and heat detectors; and
  - c. Uninterruptible power supply system, line conditioner, and voltage regulator.
39. "Prototype" means an original version of a newly designed product that is an outcome of your "research and development operations". A "prototype" includes sample designs, experimental models or displays that are associated with or integral to the manufacture of the original version of a newly designed product.
40. "Rental value" means Business Income that consists of:
- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
  - b. Continuing normal operating expenses incurred in connection with that

premises, including:

(1) Payroll; and

(2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

41. "Research and development documentation" means written evidence of facts, information, processes, concepts or formulas that are directly related to the development of new products or enhancement of existing products. Written evidence includes written papers, plans, manuscripts, written or inscribed documents or plans.

"Research and development documentation" does not include "valuable papers and records", accounts receivable or "media", "software" or "data".

42. "Research and development operations" means your business activities that are directly related to the development of new products or the enhancement of existing products.

43. "Scientific and professional equipment" means medical, engineering, veterinary, measurement, recording, analyzing or similar equipment.

44. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you.

but does not include "money".

45. "Soft cost expenses" means additional:

- a. Realty taxes and other assessments that you incur for the period of time that construction has been extended beyond the projected completion date;
- b. Interest on money borrowed to finance construction, remodeling, renovation or repair; and
- c. Advertising, public relations and

promotional expenses.

46. "Software" means:

- a. "Media";
- b. "Electronic data";
- c. "Programs and applications"; and
- d. "Proprietary programs".

47. "Spoilage" means any detrimental change in physical state of "perishable goods". Detrimental change includes, but is not limited to, thawing of frozen goods, warming of refrigerated goods, solidification of liquid or molten material, chemical reactions to material in process, and reduction in value of time sensitive materials.

48. "Theft" means the unlawful taking of property to the deprivation of the insured.

49. "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and "securities":

- a. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
- b. By means of written instructions establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

50. "Valuable papers and records" means:

- a. Inscribed, printed or written:
  - (1) Documents;
  - (2) Manuscripts; and
  - (3) Records
 including abstracts, books, deeds, drawings, films, maps or mortgages; and
- b. Similar items stored electronically.

But, "valuable papers and records" does not mean "money" or "securities".

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## MANUFACTURING PROPERTY BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS- SPECIAL FORM

This endorsement applies only to those locations for which a corresponding premium has been paid.

The following is added to **C. Limits of Insurance** of Building and Personal Property Coverage Form CP 00 10:

The limits applicable to the Coverages included in this endorsement may either be in addition to or included within the applicable Limits of Insurance. For application of the limits, refer to each coverage within this endorsement.

Refer to **SECTION V – DEFINITIONS** of this endorsement for additional words or phrases which appear in quotation marks that have special meaning.

### I. COVERAGES

#### A. Personal Property of Others Included

**A. Coverage**, Paragraph **1. Covered Property**, subparagraph **c. Personal Property of Others** of Building and Personal Property Coverage Form CP 00 10, is deleted and included as **A. Coverage**, Paragraph **1. Covered Property**, subparagraph **c.(8)**.

#### B. Scheduled Coverages

The coverages in this endorsement amend the coverage provided under the Building and Personal Property Coverage Form and Causes of Loss – Special Form through new coverages and substitute coverage grants. These coverages are subject to the provisions applicable to this policy, except where amended within this endorsement. If any of the property covered by this endorsement is also covered under any other provisions of the policy of which this endorsement is made a part, or if more than one coverage under this endorsement applies, in the event of loss or damage, you may choose only one of these coverages to apply to that loss. The most we will pay in this case is the limit of insurance applying to the coverage you select. Coverages included in this endorsement apply either separately to each described premises or on an "occurrence" basis. Refer to each coverage within this endorsement for application of coverage.

	Limit of Insurance	Amended Limits of Insurance	Page
1. Additional Covered Property	Included	N/A	2
2. Contract Cancellation	\$100,000	\$	2
3. Extended Warranty Coverage	\$75,000	\$	2
4. Molds, Dies, Patterns and Plates	Included	N/A	2
5. Processing Water	\$50,000	\$	3
6. Product Adulteration and Contamination	\$50,000	\$	3
7. Research and Development Expenses	\$250,000	\$	4
8. Research and Development – Extra Expense	\$250,000	\$	4
9. Spoilage			4
On Premises	\$100,000	N/A	
In Transit	\$10,000	N/A	

### II. DEDUCTIBLE

We will not pay for covered loss or damage in any one "occurrence" unless the amount of loss or damage exceeds the deductible amount shown in the Declarations of this Policy. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance for all coverages listed under **SECTION I – COVERAGES**. No deductible applies to coverages where specifically designated.



### III. COVERED PROPERTY

#### A. Scheduled Coverages

##### 1. Additional Covered Property

**C. Limitations**, Paragraph **3.** of Causes of Loss – Special Form CP 10 30 is replaced by the following:

The special limits Section **3.** under **C. Limitations** of the CP 10 30 is deleted and replaced by the following:

The special limit shown for category, **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one “occurrence” of “theft”, regardless of the types or number of articles that are lost or damaged in that “occurrence”. The special limits are:

- d.** \$50,000 for patterns, dies, molds and forms owned by others. This special limit does not apply to those patterns, dies, molds and forms owned by you or for which you are responsible under written contract existing before loss.

##### 2. Contract Cancellation

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Contract Cancellation**

- (1)** We will pay for the loss of business income you sustain during the first 12 months after the period of Restoration due to the cancellation of a contract by your customers but only if the reason for the cancellation is caused by or resulting from direct physical loss or damage to the premises by a Covered Cause of Loss during the policy period.
- (2)** We will not pay for:
  - (a)** A contract cancelled after the period of restoration;
  - (b)** A contract cancelled, suspended or allowed to lapse by you;
  - (c)** Any other consequential loss.
- (3)** The most we will pay in any one occurrence for all contracts cancelled is the lesser of:
  - (a)** The anticipated amount of income you would have received from the customer under the cancelled contract for 12 months immediately following the period of restoration in accordance with

the terms and conditions of the contract; or

- (b)** \$100,000.

- (c)** The Limit of Insurance shown in the Amended Limits Section of this Endorsement.

- (4)** All payments cease upon the date the current contract would have expired, regardless of any options for renewal, if the loss or damage had not taken place.
- (5)** The expiration of this policy will not shorten the duration of this coverage if the loss occurred during the policy period.
- (6)** The number of your customers canceling a contract due to a loss at a scheduled location will not increase the limit of insurance provided by this additional coverage.
- 7)** This is an additional amount of insurance.

##### 3. Extended Warranty Coverage

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Extended Warranty Coverage**

- (1)** If a covered cause of loss results in a direct total physical loss to property covered under this policy, at a premises shown in the Declarations, we will pay the un-used pro-rata portion of the non-refundable purchase price for extended warranties or service contracts which you purchased on such damaged property.
- (2)** The most we will pay for loss or damage in any one “occurrence” under this Additional Coverage is \$75,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

##### 4. Molds, Dies, Patterns and Plates

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Molds, Dies, Patterns and Plates**

- (1)** You may extend the insurance that applies to Your Business Personal Property to apply to damage caused directly by accidental marring or

scratching of:

- (a) Your molds, dies, patterns or plates while at the described premises;
  - (b) Your molds, dies, patterns or plates while at the premises of another who uses them to provide products or services to you;
  - (c) Molds, dies, patterns or plates of others while in your care, custody or control; or
  - (d) Your molds, dies, patterns or plates, or the molds, dies, patterns or plates of others if in your care custody or control, during transit.
- (2) Payment under this Coverage Extension is included with Your Business Personal Property Limit of Insurance.

#### 5. Processing Water

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Processing Water

- (1) We will pay the cost that you incur to replace water that is used in your processing operations and contained in:
- (a) An above ground tank;
  - (b) Processing equipment; or
  - (c) Above ground piping associated with items (a) or (b) above
- when such water has been released or rendered unusable for its intended purpose as a result of a direct physical loss or damage to such tank, processing equipment or piping caused by a Covered Cause of Loss at a designated premises.
- (2) The most we will pay for any loss or damage under this Additional Coverage is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) The amount payable under this Additional Coverage is additional insurance.

##### (4) Special Processing Water Exclusion

We will not pay for loss involving any fire protection equipment.

#### 6. Product Adulteration and

#### Contamination

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form, CP 00 10:

##### Product Adulteration and Contamination

- (1) We will pay for direct physical loss or damage to "stock" at a described premises caused by adulteration or contamination provided such adulteration or contamination caused by or resulting from:
- (a) Accidental introduction of a foreign substance, agent or organism to the "stock", including any nesting or infestation; and
  - (b) Occurs during the processing or manufacture of the "stock" at a described premises; and
  - (c) Causes the "stock" to become diminished in value or use, including but not limited to diminished value or use due to change in color, finish, flavor, size or texture.

##### (2) Special Product Adulteration and Contamination Exclusion

We will not pay for loss or damage caused by or resulting from:

- (a) Rejection or disposal of "stock" because of quality control standards or local Board of Health requirements unless the reason the "stock" is rejected or disposed is because it was adulterated or contaminated as provided in 6.1 above; or
- (b) Improper or faulty workmanship, design, specifications of materials; or
- (c) Improper or faulty monitoring or testing for contaminants; or
- (d) Improper blending of ingredients or use of contaminated ingredients; or
- (e) Contamination by refrigerant or mechanical breakdown of any temperature or humidity control apparatus;
- (f) The closure or quarantine of your business, by local Board of Health or similar authorities due to sickness among your employees,

unless the sickness causes the direct contamination or adulteration of "stock".

- (3) The most we will pay for loss or damage in any one "occurrence" under this Additional Coverage is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) We will not pay for costs and expenses involved in testing "stock" for adulteration or contamination.

## 7. Research and Development Expenses

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### Research and Development Expenses

- (1) If your "research and development operations" are suspended due to direct physical loss or damage, caused by a Covered Cause of Loss, to property directly related to your "research and development operations" and the loss is not covered under any other provisions of this policy, you may extend the insurance that applies to Business Income to cover ordinary payroll and loss of continuing fixed charges directly attributable to your development activities.
- (2) Research and development expenses are included in the limit of insurance for Business Income.
- (3) The most we will pay for loss or damage in any one "occurrence" under this Additional Coverage is \$250,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) This coverage is included in and not in addition to the applicable limit of insurance.

## 8. Research and Development – Extra Expense

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### Research and Development – Extra Expense

- (1) We will pay the actual and necessary "Extra Expense" that you would not

have incurred if your "research and development operations" had not been suspended due to direct physical loss or damage, caused by a Covered Cause of Loss, to property directly related to your "research and development operations".

- (2) Under this Additional Coverage, the definition of "Extra Expense" is replaced with the following:

"Extra Expense" means necessary expenses you incur during the "research and development period of restoration" that you would not have incurred if there had been no direct physical loss or damage, caused by or resulting from a Covered Cause of Loss, to property directly involved in your "research and development operations":

- (a) To avoid or minimize the "suspension" of, and to continue your "research and development operations"; or
- (b) To minimize the "suspension" of your "research and development operations" if you cannot continue them.
- (3) The most we will pay for loss or damage in any one "occurrence" under this Additional Coverage is \$250,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

## 9. Spoilage

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### Spoilage

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage to your "perishable goods" at the described premises; or in a vehicle owned, leased or operated by you while in transit caused by or resulting from either of the following causes of loss:
  - (a) Breakdown or Contamination, meaning:
    - (i) On premises change in temperature or humidity resulting from mechanical breakdown or mechanical

failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; or

(ii) Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is in a vehicle owned, leased or operated by you while in "transit"; and

(iii) Contamination by the refrigerant.

(b) Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

(2) Coverage under this Extension does not apply to property located on buildings or in the open.

(3) The most we will pay for on premises loss or damage under this Extension in any one "occurrence" is \$100,000.

(4) The most we will pay for loss or damage to your perishable goods while "in Transit" under this Extension is \$10,000 in any one "occurrence."

**(5) Special Spoilage Exclusions**

We will not pay for loss or damage caused by or resulting from:

(a) The disconnection of any refrigerating, cooling or humidity control system from the source of power;

(b) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;

(c) The inability of an Electrical Utility Company or other power source to provide sufficient power due to:

(i) Lack of fuel; or

(ii) Governmental order.

(d) The inability of a power source at the described premises to provide

sufficient power due to lack of generating capacity to meet demand; or

(e) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit; or

(f) The failure to maintain adequate fuel levels for the refrigeration, cooling or humidity control apparatus or equipment in a vehicle; or

(g) Your or a service representatives failure to inspect a vehicles' refrigeration, cooling or humidity control apparatus or equipment at least quarterly; or

(6) Coverage Under this Extension will not apply unless:

(a) A record of each inspection of refrigeration, cooling or humidity control apparatus or equipment in a vehicle is retained and maintained for at least 24 consecutive months prior to the date of loss; and

(b) You provide us with all records.

**IV. BROADENED VALUATION CLAUSE**

**A. E. Loss Conditions, Paragraph 7. Valuation,** subparagraph a. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

a. At replacement cost without deduction for depreciation, except as provided otherwise in this Property Coverage Part.

(1) You may claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the date loss or damage.

(2) We will not pay on a replacement cost basis for any loss or damage:

(a) Until the lost or damaged property is actually repaired or replaced; and

(b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

(3) We will not pay more for loss or

damage on a replacement cost basis than the least of:

- (a) The Limit of Insurance applicable to the lost or damaged property;
- (b) The cost to replace, at the same location, the lost or damaged property with other property:
  - (i) Of comparable material and quality; and
  - (ii) Used for the same purpose; or
- (c) The amount you actually spend that is necessary to repair or replace the lost or damaged property – even if, when replacement is necessary, you choose to make use of other than new property to effect such replacement.

**B. E. Loss Conditions, Paragraph 7. Valuation,** subparagraph e. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**e. Tenant's Improvements and Betterments** at:

- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
- (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
  - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
  - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- (c) When a written lease does not exist, instead of the method of calculating loss shown in **e.(2)(a)** and **(b)** above, we will determine the proportionate value of the improvements and betterments as follows:
  - (i) Multiply the original cost by 365 days; and
  - (ii) Divide the amount determined in **(a)** above by the number of days from the installation of improvements to 365 days

after the date of the "occurrence".

- (3) If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in the procedure described in **(2)** above.

- (4) Nothing, if others pay for repairs or replacement.

**C. The following is added to E. Loss Conditions, Paragraph 7. Valuation** of Building and Personal Property Coverage Form CP 00 10:

- t. The following property at actual cash value:**
  - (1) Used or second hand merchandise held in storage or for sale;
  - (2) Household contents, except personal property in apartments or rooms furnished by you as landlord;
  - (3) Manuscripts;
  - (4) Works of art, "antiques" or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; and
  - (5) Contractors equipment and tools
- u. Lottery tickets at their initial cost to you except for winning tickets, at their redeemed present cash value.**
- v. Data, media and computer "software" programs.** For media, at the actual costs of repairing or replacing the media with material of like kind and quality. Data and computer "software" programs at the actual cost of reproducing the data or computer "software" program, providing you actually reproduce or replace it.
- w. Prepackaged "software" programs and electronic data processing equipment that cannot be replaced, at the cost of functionally equivalent "software" or "hardware".**
- x. "Business income", "extra expense" and "resumption of operations":**
  - (1) The amount of "business income" loss will be determined based on:
    - (a) The Net Income of the business before the direct physical loss or damage occurred;
    - (b) The likely Net Income of the business if no loss or damage had occurred but not including any Net Income that would likely have been earned as a result of an



increase in the volume of business conditions due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;

- (c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
  - (d) Other relevant sources of information, including:
    - (i) Your financial records and accounting procedures;
    - (ii) Bills, invoices and other vouchers; and
    - (iii) Deeds, liens or contracts.
- (2) The amount of "extra expense" will be determined based on:
- (a) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
    - (i) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
    - (ii) Any "extra expense" that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
  - (b) All necessary expenses that reduce the "business income" loss that otherwise would have been incurred.
- (3) Resumption of Operations
- We will reduce the amount of your:
- (a) "Business income" loss, other than "extra expense", to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or "stock")

at an insured location or elsewhere.

- (b) "Extra expense" loss to the extent you can return "operations" to normal and discontinue such "extra expense".

If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

## V. DEFINITIONS

The following is added to Paragraph H. of Building and Personal Property Coverage Form CP 00 10:

### H. Definitions

1. "Business income" means:
  - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred; and
  - b. Continuing normal operating expenses incurred, including payroll.
  - c. For manufacturing risks, Net Income includes the net sales value of production.
2. "Extra Expense" means the necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property:
  - a. To avoid or minimize the "suspension" of business and to continue "operations":
    - (1) At an insured location; or
    - (2) At replacement premises or at temporary locations, including relocation expenses and costs to equip and operate the replacement or temporary locations;
  - b. To minimize the suspension of business if you cannot continue "operations"; or
  - c. To:
    - (1) Repair or replace any property; or
    - (2) Research, replace or restore the lost information on damaged "valuable papers and records",
 to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.



With regard to **c.(1)** above, we will pay only for those expenses necessary to expedite the repair or replacement of the property. Under this provision, we will not pay for any portion of the ordinary and expected cost to actually repair or replace property.

**3. "Suspension" means:**

- a.** The slowdown or cessation of your business activities; or
- b.** That a part or all of an insured location is rendered un-tenantable, if coverage for "Business Income" including "Rental Value" or "Rental Value" applies.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ILLINOIS CHANGES – DATA BREACH COVERAGE FORM

This endorsement modifies insurance provided under the following:

### DATA BREACH COVERAGE FORM

**A. SECTION E – CONDITIONS, 11. Cancellation and Non-Renewal** is replaced by the following:

**11. Cancellation and Non-Renewal:**

- a. If we decide to cancel this Coverage Part in the first 60 days, we will mail:

- (1) 10 days' written notice of cancellation for nonpayment of premium; or
- (2) 30 days' written notice of cancellation for any other reason.

If this Coverage Part has been in effect for 60 days or more or is a renewal of a Coverage Part we issued, then we will mail:

- (3) 10 days' written notice of cancellation for nonpayment of premium; or
- (4) 60 days' written notice of cancellation for one or more of the following reasons:
  - (a) The Coverage Part was obtained through a material representation;
  - (b) Any insured violated any of the terms and conditions of the policy;
  - (c) The risk originally accepted has measurably increased;
  - (d) Certification is provided to the Director of Insurance in Illinois of the loss of reinsurance by us which provided coverage to us for a substantial part of the underlying risk insured; or
  - (e) A determination is made by the Director of Insurance in Illinois that the continuation of the policy could place us in violation of the insurance laws of Illinois.

Cancellation notices will state the reason for cancellation and will be mailed to you and the agent or broker of record at the last addresses known to us. We will maintain proof of mailing on a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office or other commercial mail delivery service.

- b. If we decide not to renew this Coverage Part, we will mail or deliver written notice not less than 60 days before the expiration date to the named insured shown in the Declarations and to the agent or broker of record at the last addresses known to us. Notice will provide an explanation of the reason for nonrenewal. We will maintain proof of mailing on a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office or other commercial mail delivery service.

**B. SECTION E – CONDITIONS, 2. Concealment, Misrepresentation Or Fraud** is replaced by the following:

**2. Concealment, Misrepresentation Or Fraud**

- a. This Coverage Part or Coverage Form is void if you or any "insured" commit fraud or conceal or misrepresent a fact in the process leading to the issuance of this insurance, and such fraud, concealment or misrepresentation is stated in the policy or endorsement or in the written application for this policy and:

- (1) Was made with actual intent to deceive; or
- (2) Materially affected either our decision to provide this insurance or the hazard we assumed.

However, this condition will not serve as a reason to void this Coverage Form after the Coverage Form has been in effect for one year or one policy term, whichever is less.

- b. We do not provide coverage under this Coverage Part or Coverage Form if you or any other "insured" who at any time subsequent to the issuance of this insurance, commit fraud or intentionally conceal or misrepresent a material fact relating to:

- (1) This Coverage Part or Coverage Form;
- (2) The Covered Property

- (3) Your interest in the Covered Property;  
or
- (4) A claim under this Coverage Part or Coverage Form.

- c. Notwithstanding the limitations stated in 2.a. above, we may cancel the Coverage Form in accordance with the terms of the Cancellation Condition.

**C. SECTION E – CONDITIONS, 18. Appraisal** is replaced by the following:

**18. Appraisal**

If we and you disagree on the amount of net income, operating expense or loss either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of the net income, operating expense and loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will not be binding.

Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

However, we will pay your appraiser's fee and the umpire's appraisal fee, if the following conditions exist:

- c. You demanded the appraisal; and
- d. The amount of net income, operating expense and loss, as set by your appraiser, is agreed to by our appraiser or by the umpire.

If there is an appraisal, we will still retain our right to deny the claim; and you will retain your right to file suit against us.

**D. SECTION E – CONDITIONS, 5. Legal Action Against Us** is replaced by the following:

**5. Legal Action Against Us**

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date we first deny the claim in whole or in part.

**E. The following is added to SECTION F – DEFINITIONS, 10. Defense Expenses:**

"Defense Expenses" do not include our routine ongoing expenses or overhead such as salaries of our staff or our staff attorneys.

**F. SECTION E – CONDITIONS 8. Other Insurance,** paragraph b. is replaced by the following:

- b. If there is other insurance covering the same "data breach", other than that described in a. above, we will share proportionately with such other coverage in the benefits or amounts due for Data Breach Services, Data Breach Expense Coverages, and Additional Expense Coverages. We will not pay more than the applicable Limit of Insurance shown in the **SCHEDULE**.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EQUIPMENT BREAKDOWN COVERAGE (INCLUDING ELECTRONIC CIRCUITRY IMPAIRMENT)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 CAUSES OF LOSS – BASIC FORM  
 CAUSES OF LOSS – BROAD FORM  
 CAUSES OF LOSS – SPECIAL FORM

### A. COVERAGE

The following is added as an Additional Coverage to the Causes of Loss – Basic Form, Broad Form and Special Form:

#### Additional Coverage – Equipment Breakdown

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below. Without an “accident” or “electronic circuitry impairment”, there is no Equipment Breakdown Coverage.

1. We will pay for direct physical damage to Covered Property that is the direct result of an “accident” or “electronic circuitry impairment”. We will consider “electronic circuitry impairment” to be physical damage to “covered equipment”.
2. Unless otherwise shown in the “schedule”, the following coverages also apply to the direct result of an “accident” or “electronic circuitry impairment”. However, with respect to coverage **2.i. Service Interruption** below and any Dependent Properties coverage provided by this coverage part, coverage will apply only to the direct result of an “accident” and will not apply to the direct result of “electronic circuitry impairment”. These coverages do not provide additional amounts of insurance.

#### a. Business Income and Extra Expense

- (1) Any insurance provided under the coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a deductible is shown in the “schedule”, then with respect to this endorsement only, the “period of restoration” will begin immediately after the “accident” or “electronic circuitry impairment”, and

the deductible shown in the “schedule” will apply.

- (2) The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in the “schedule”.

#### b. Data Restoration

- (1) We will pay for your reasonable and necessary cost to research, replace and restore lost “data”.
- (2) The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$100,000 unless otherwise shown in the “schedule”.

#### c. Expediting Expenses

- (1) With respect to your damaged Covered Property, we will pay the reasonable extra cost to:
  - (a) Make temporary repairs; and
  - (b) Expedite permanent repairs or permanent replacement.
- (2) The most we will pay for loss or expense under this coverage is \$100,000 unless otherwise shown in the “schedule”.

#### d. Fungus, Wet Rot, Dry Rot and Bacteria

- (1) We will pay your additional cost to repair or replace Covered Property because of contamination by “fungus”, wet rot, dry rot or bacteria. This includes the additional costs to clean up or dispose of such property. This does not include spoilage of personal property that is “perishable goods” to

the extent that such spoilage is covered under Spoilage coverage.

- (2) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "fungus", wet rot, dry rot or bacteria been involved.
- (3) We will also pay the cost of testing performed after repair or replacement of the damaged Covered Property is completed only to the extent that there is reason to believe there is the presence of "fungus", wet rot, dry rot or bacteria.
- (4) This coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.
- (5) The most we will pay in any "one equipment breakdown" for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$15,000 even if the "fungus", wet rot, dry rot or bacteria continues to be present or active or recurs in a later policy period.

**e. Hazardous Substances**

- (1) We will pay your additional cost to repair or replace Covered Property because of contamination by a "hazardous substance". This includes the additional expenses to clean up or dispose of such property.
- (2) This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in **2.j.(1)(b)** below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.
- (3) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$100,000 unless otherwise shown in the "schedule".

**f. Off Premises Equipment Breakdown**

- (1) We will pay for physical damage to transportable "covered equipment" that, at the time of the "accident" or "electronic circuitry impairment", is not at a covered location. As respects this Off Premises Equipment Breakdown coverage only, the "accident" or "electronic circuitry impairment" may occur in any country except one in which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.
- (2) We will also pay for your reasonable and necessary cost to research, replace and restore lost "data" contained within "covered equipment" as described under **f.(1)** above. This amount may not exceed the limit applicable to Data Restoration coverage.
- (3) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, and Data Restoration as described in **f.(2)** above is the limit for Property Off Premises Coverage Extension shown in your policy.

**g. Public Relations**

- (1) This coverage only applies if you have sustained an actual loss of Business Income covered under this endorsement.
- (2) We will pay for your reasonable costs for professional services to create and disseminate communications, when the need for such communications arises directly from the interruption of your business. This communication must be directed to one or more of the following:
  - (a) The media;
  - (b) The public; or
  - (c) Your customers, clients or members.
- (3) Such costs must be incurred during the "period of restoration" or up to 30 days after the "period of restoration" has ended.
- (4) The most we will pay for loss or expense under this coverage is \$5,000.

**h. Scientific Animals**

We will pay for loss or damage to “scientific animals” resulting from an “accident” to “covered equipment” when the Life Science Property Broadening Endorsement is included in the policy. The most we will pay for loss, damage or expense under this coverage is the lesser of the limit shown in the Life Science Property Broadening Endorsement or \$100,000, unless otherwise shown in the “schedule”.

**i. Service Interruption**

- (1) Any insurance provided for Business Income, Extra Expense, Data Restoration or Spoilage is extended to apply to your loss, damage or expense caused by a failure or disruption of service. The failure or disruption of service must be caused by an “accident” to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord’s utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, “cloud computing services”, wide area networks or data transmission. The equipment must meet the definition of “covered equipment” except that it is not Covered Property.
- (2) “Cloud computing services” must be provided by a professional provider with whom you have a contract.
- (3) With respect to the Data Restoration portion of this Service Interruption coverage, coverage will also apply to “data” stored in the equipment of a provider of “cloud computing services”.
- (4) Unless otherwise shown in the “schedule”, Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the “accident”. If the interruption exceeds 24 hours, coverage will begin at the time of the disruption, and the applicable deductible will apply.
- (5) The most we will pay in any “one equipment breakdown” for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense,

Data Restoration or Spoilage, except that if a limit is shown in the “schedule” for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

**j. Spoilage**

**(1) We will pay for:**

- (a) Physical damage to “perishable goods” due to spoilage;
- (b) Physical damage to “perishable goods” due to contamination from the release of refrigerant, including but not limited to ammonia;
- (c) Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

(2) If you are unable to replace the “perishable goods” before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the “perishable goods” at the time of the “accident” or “electronic circuitry impairment”, less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

(3) The most we will pay for loss, damage or expense under this coverage is \$100,000 unless otherwise shown in the “schedule”.

**B. EXCLUSIONS**

All exclusions in the applicable Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this endorsement.

**1. The following exclusions are modified:**

- a. If the Causes of Loss – Basic Form or Causes of Loss – Broad Form apply, the following is added to **Exclusion B.2.:**

Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. However, if an “accident” or “electronic circuitry impairment” results, we will pay for the resulting loss, damage or expense caused by that “accident” or “electronic circuitry impairment”.



- b. If the Causes of Loss – Special Form applies, with respect to this endorsement only, the last paragraph of **Exclusion B.2.d.** is replaced by the following:
- But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in an “accident” or “electronic circuitry impairment”, we will pay for the loss, damage or expense caused by that “accident” or “electronic circuitry impairment”.
2. The following exclusions are added to the Building and Personal Property Coverage Form, the Condominium Association Coverage Form, the Condominium Commercial Unit-Owners Coverage Form, the Causes Of Loss – Basic Form, the Causes Of Loss – Broad Form, and the Causes Of Loss – Special Form:
- a. We will not pay for loss, damage or expense caused directly or indirectly by any of the following, whether or not caused by or resulting from an “accident” or “electronic circuitry impairment”:
    - (1) Fire, including smoke from a fire;
    - (2) Explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from that furnace to the atmosphere;
    - (3) Any other explosion, except as specifically covered under this endorsement;
    - (4) Any earth movement, including but not limited to earthquake, subsidence, sinkhole collapse, landslide, earth sinking, tsunami or volcanic action;
    - (5) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; mudslide or mudflow; or water that backs up or overflows from a sewer, drain or sump. However, if electrical “covered equipment” requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies; or
    - (6) Vandalism.
  - b. Coverage under this endorsement does not apply to an “accident” or “electronic circuitry impairment” caused by or resulting from:
    - (1) Lightning;
    - (2) Windstorm or hail. However this exclusion does not apply when:
      - (a) “Covered equipment” located within a building or structure suffers an “accident” or “electronic circuitry impairment” that results from wind-blown rain, snow, sand or dust; and
      - (b) The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow or dust entered.
    - (3) Smoke; aircraft or vehicles; riot or civil commotion; sprinkler leakage; elevator collision;
    - (4) Breakage of glass; falling objects; weight of snow, ice or sleet; freezing (caused by cold weather); collapse or molten material;
    - (5) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or
    - (6) Water or other means used to extinguish a fire.
  - c. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your customer or supplier.
  - d. Except as specifically provided under **A.2.d. Fungus, Wet Rot, Dry Rot and Bacteria** coverage we will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an “accident” or “electronic circuitry impairment”: Any “fungus”, wet rot, dry rot or bacteria, including any presence, growth, proliferation, spread or any activity of “fungus”, wet rot, dry rot or bacteria. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such “fungus”, wet rot, dry rot or bacteria. However, this exclusion does not apply to spoilage of personal property that is “perishable goods”, to the extent that such spoilage is covered under Spoilage coverage.
  - e. Except as specifically provided under **A.2.h. Scientific Animals** coverage, we

will not pay for any loss or damage to animals.

**3. Exclusions 2.b.(1), 2.b.(2), 2.b.(3), and 2.b.(4)** above shall not apply if:

- a. The excluded cause of loss occurs away from any covered location and causes an electrical surge or other electrical disturbance;
- b. Such surge or disturbance is transmitted through utility service transmission lines to the covered location and results in an "accident" or "electronic circuitry impairment"; and
- c. The loss, damage or expense caused by such surge or disturbance is not covered elsewhere under the policy.

**4. Any cause of loss set forth in Exclusion 2.b.(4) above that is not a Covered Cause of Loss in this coverage part shall be excluded only as respects Service Interruption coverage.**

**C. DEFINITIONS**

For the purpose of this endorsement only, the following definitions are added:

**1. "Accident"**

- a. "Accident" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:

- (1) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- (2) Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- (3) Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
- (4) Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- (5) Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

- b. None of the following is an "accident":

- (1) Defect, programming error, programming limitation, computer virus, malicious code, loss of "data",

loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind; or

- (2) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident".

**2. "Boilers and vessels" means:**

- a. Any boiler, including attached steam, condensate and feedwater piping; and
- b. Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in the "schedule".

- 3. "Cloud computing services" means** professional, on-demand, self-service data storage or data processing services provided through the internet or over telecommunications lines. This includes services known as IaaS (infrastructure as a service), PaaS (platform as a service), SaaS (software as a service) and NaaS (network as a service). This includes business models known as public clouds, community clouds and hybrid clouds. "Cloud computing services" include private clouds if such services are owned and operated by a third party.

**4. "Covered equipment"**

- a. "Covered equipment" means, unless otherwise specified in the "schedule", Covered Property:

- (1) That generates, transmits or utilizes energy; or
- (2) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

"Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.

- b. None of the following is "covered equipment":

- (1) Structure, foundation, cabinet or compartment;
- (2) Insulating or refractory material;

- (3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
  - (4) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
  - (5) "Vehicle" or any equipment mounted on a "vehicle";
  - (6) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
  - (7) Dragline, excavation or construction equipment; or
  - (8) Equipment manufactured by you for sale.
5. "Data" means information or instructions stored in digital code capable of being processed by machinery.
  6. "Electronic circuitry" means microelectronic components, including but not limited to circuit boards, integrated circuits, computer chips and disk drives.
  7. "Electronic circuitry impairment"
    - a. "Electronic circuitry impairment" means a fortuitous event involving "electronic circuitry" within "covered equipment" that causes the "covered equipment" to suddenly lose its ability to function as it had been functioning immediately before such event. This definition is subject to the conditions specified in **b.**, **c.** and **d.** below.
    - b. We shall determine that the reasonable and appropriate remedy to restore such "covered equipment's" ability to function is the replacement of one or more "electronic circuitry" components of the "covered equipment".
    - c. The "covered equipment" must be owned or leased by you, or operated under your control.
    - d. None of the following is "electronic circuitry impairment":
      - (1) Any condition that can be reasonably remedied by:
        - (a) Normal maintenance, including but not limited to replacing expendable parts, recharging batteries or cleaning;
        - (b) Rebooting, reloading or updating software or firmware; or
        - (c) Providing necessary power or supply.
      - (2) Any condition caused by or related to:
        - (a) Incompatibility of the "covered equipment" with any software or equipment installed, introduced or networked within the prior 30 days;
        - (b) Insufficient size, capability or capacity of the "covered equipment"; or
        - (c) Exposure to adverse environmental conditions, including but not limited to change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty shall not be considered an observable loss of functionality.
  8. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
  9. "Media" means material on which "data" is recorded, such as solid state drives, hard disks, optical disks, flash drives, magnetic tapes or floppy disks.
  10. "One equipment breakdown" means: If an initial "accident" or "electronic circuitry impairment" causes other "accidents" or "electronic circuitry impairments", all will be considered "one equipment breakdown". All "accidents" or "electronic circuitry impairments" that are the result of the same "accident" or "electronic circuitry impairment" will be considered "one equipment breakdown".
  11. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
  12. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus. However, "production machinery" does not mean any boiler, or fired or unfired pressure vessel.  
  
This term does not appear elsewhere in this endorsement, but may appear in the "schedule".
  13. "Schedule" means the Equipment Breakdown Coverage Schedule.

14. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to: car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle".

#### D. DEDUCTIBLE

The Building and Personal Property Coverage Form is modified as follows:

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in the "schedule". If a separate Equipment Breakdown deductible is shown, the following applies.

Only in regards to Equipment Breakdown Coverage, provision **D. DEDUCTIBLE** in the Building and Personal Property Coverage Form, the Condominium Association Coverage Form, the Condominium Commercial Unit-Owners Coverage Form, the Causes Of Loss – Basic Form, the Causes Of Loss – Broad Form, and the Causes Of Loss – Special Form: is replaced by the following:

##### 1. Deductibles for Each Coverage

- a. Unless the "schedule" indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one equipment breakdown".
- b. We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the "schedule". We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- c. If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one equipment breakdown", only the highest deductible for each coverage will apply.

##### 2. Direct and Indirect Coverages

- a. Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the "schedule".
- b. Unless more specifically indicated in the "schedule":

- (1) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
- (2) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

#### 3. Application of Deductibles

##### a. Dollar Deductibles

We will not pay for loss, damage or expense resulting from any "one equipment breakdown" until the amount of loss, damage or expense exceeds the applicable deductible shown in the "schedule". We will then pay the amount of loss, damage or expense in excess of the applicable deductible or deductibles, up to the applicable Limit of Insurance.

##### b. Time Deductible

If a time deductible is shown in the "schedule", we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident" or "electronic circuitry impairment". If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

##### c. Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" or "electronic circuitry impairment" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or "electronic circuitry impairment" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration". The number indicated in the "schedule" will be multiplied by the ADV as



determined above. The result shall be used as the applicable deductible.

**d. Percentage of Loss Deductibles**

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

**E. CONDITIONS**

1. The following conditions are added to the Conditions in the Building and Personal Property Coverage Form, the Condominium Association Coverage Form, the Condominium Commercial Unit-Owners Coverage Form, the Commercial Property Conditions and the Common Policy Conditions:

**a. Suspension**

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" or "electronic circuitry impairment" to that "covered equipment". This can be done by mailing or delivering a written notice of suspension to:

- (1) Your last known address; or
- (2) The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment". If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

**b. Jurisdictional Inspections**

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

**c. Coinsurance**

If a coinsurance percentage is shown in the "schedule" for specified coverages, the following condition applies.

We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.

2. For the purpose of this endorsement only, **E. Loss Conditions, 7. Valuation** in the Building and Personal Property Coverage Form is replaced by the following:

**7. Valuation**

We will determine the value of Covered Property as follows:

- a. Except as specified otherwise, our payment for damaged Covered Property will be the smallest of:

- (1) The cost to repair the damaged property;
- (2) The cost to replace the damaged property on the same site; or
- (3) The amount you actually spend that is necessary to repair or replace the damaged property.

- b. Except as described in **c.** below, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.

**c. Environmental, Safety and Efficiency Improvements**

If "covered equipment" requires replacement due to an "accident" or "electronic circuitry impairment", we will pay your additional cost to replace with equipment that is better for the environment, safer for people or more energy or water efficient than the equipment being replaced. However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with

like kind and quality. This provision does not apply to the replacement of component parts or to any property to which Actual Cash Value applies and does not increase any of the applicable limits.

d. The following property will be valued on an Actual Cash Value basis:

- (1) Any property that does not currently serve a useful or necessary function for you;
- (2) Any Covered Property that you do not repair or replace within 24 months after the date of the "accident" or "electronic circuitry impairment"; and
- (3) Any Covered Property for which Actual Cash Value coverage is specified in a "schedule", Actual Cash Value includes deductions for depreciation.

e. If any one of the following conditions is met, property held for sale by you will be valued at the sales price as if no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:

- (1) The property was manufactured by you;

(2) The sales price of the property is less than the replacement cost of the property; or

(3) You are unable to replace the property before its anticipated sale.

f. Except as specifically provided for under Data Restoration coverage, "data" and "media" will be valued on the following basis:

- (1) For mass-produced and commercially available software, at the replacement cost.
- (2) For all other "data" and "media", at the cost of blank "media" for reproducing the records. We will not pay for "data" representing financial records based on the face value of such records.

The most we will pay for loss, damage or expense under this endorsement arising from any "one equipment breakdown" is the applicable Limit of Insurance in the Declarations unless otherwise shown in the "schedule". Coverage provided under this endorsement does not provide an additional amount of insurance.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



## COMMERCIAL PROPERTY COVERAGE PART EQUIPMENT BREAKDOWN COVERAGE SCHEDULE

*Equipment Breakdown is subject to the Limits of Insurance shown in the Declarations except as specifically shown below.*

*These coverages apply to all locations covered on the policy, unless otherwise specified.*

Coverages	Limits
Equipment Breakdown Limit	\$1,700,000
Business Income	\$Included
Extra Expense	\$Included
Data Restoration	\$100,000
Expediting Expenses	\$100,000
Hazardous Substances	\$100,000
Scientific Animals	\$0
Service Interruption	\$Included in BI, EE and/or Spoilage Limit
Spoilage	\$100,000

	Deductibles
Combined, All Coverages	\$0
Direct Coverages	\$2,500
Indirect Coverages	\$0 or 72 hours or times ADV
Spoilage	\$2,500 or % of loss, \$ minimum

### Other Conditions

Period of Loss Extension: Follows Property
Demolition and ICC: Property Amount or \$2,500,000, Whichever is Less
We will not pay for any loss under Service Interruption coverage unless the interruption exceeds: 24 Hours

**COMMERCIAL PROPERTY**  
**CP 00 10 10 12**

## **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **H. Definitions**.

### **A. Coverage**

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

#### **1. Covered Property**

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.** Property Not Covered, if a Limit Of Insurance is shown in the Declarations for that type of property.

**a. Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire-extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;
  - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

#### **b. Your Business Personal Property**

consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

#### **c. Personal Property Of Others** that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

## 2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, **n.**, does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

  - (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;

- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or
- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or
- q. The following property while outside of buildings:
  - (1) Grain, hay, straw or other crops;
  - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

### 3. Covered Causes Of Loss

See applicable Causes Of Loss form as shown in the Declarations.

### 4. Additional Coverages

#### a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
  - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
  - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
  - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
  - (d) Remove property of others of a type that would not be Covered Property under this Coverage Form;
  - (e) Remove deposits of mud or earth from the grounds of the described premises;
  - (f) Extract "pollutants" from land or water; or
  - (g) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
  - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
  - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
- (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
  - (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
  - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if **(4)(a)** and/or **(4)(b)** applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

## **(5) Examples**

The following examples assume that there is no Coinsurance penalty.

### **Example 1**

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 – \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph **(3)**.

### **Example 2**

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense:	\$ 40,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

The basic amount payable for debris removal expense under the terms of Paragraph **(3)** is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000, capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph **(4)**, because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph **(4)**. Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

## **b. Preservation Of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1)** While it is being moved or while temporarily stored at another location; and
- (2)** Only if the loss or damage occurs within 30 days after the property is first moved.

## **c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

- (1)** Assumed by contract or agreement prior to loss; or
- (2)** Required by local ordinance.

No Deductible applies to this Additional Coverage.

**d. Pollutant Clean-up And Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

**e. Increased Cost Of Construction**

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in **e.(3)** through **e.(9)** of this Additional Coverage.
- (3) The ordinance or law referred to in **e.(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
  - (a) You were required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.

- (5) Under this Additional Coverage, we will not pay for:

- (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:

- (a) We will not pay for the Increased Cost of Construction:
  - (i) Until the property is actually repaired or replaced at the same or another premises; and
  - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.



- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

**f. Electronic Data**

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.

- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:

- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
- (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
- (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

## 5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

### a. Newly Acquired Or Constructed Property

#### (1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

## (2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
  - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
  - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

## (3) Period Of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

**b. Personal Effects And Property Of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers And Records (Other Than Electronic Data)**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

**d. Property Off-premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
  - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
  - (a) In or on a vehicle; or
  - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

**f. Non-owned Detached Trailers**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
  - (a) The trailer is used in your business;
  - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
  - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
  - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
  - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

**g. Business Personal Property Temporarily In Portable Storage Units**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the building or structure described in the Declarations or within 100 feet of the premises described in the Declarations, whichever distance is greater.

- (2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.
- (3) Coverage under this Extension:
  - (a) Will end 90 days after the business personal property has been placed in the storage unit;
  - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.
- (4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

**B. Exclusions And Limitations**

See applicable Causes Of Loss form as shown in the Declarations.

**C. Limits Of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

#### D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

#### Example 1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building 1:	\$ 60,000
Limit of Insurance – Building 2:	\$ 80,000
Loss to Building 1:	\$ 60,100
Loss to Building 2:	\$ 90,000

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building 1:

\$ 60,100
– 250
<hr/>
\$ 59,850 Loss Payable – Building 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

$$\$59,850 + \$80,000 = \$139,850$$

#### Example 2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example 1.

Loss to Building 1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building 2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

#### E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

##### 1. Abandonment

There can be no abandonment of any property to us.

##### 2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

##### 3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.



- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
  - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
  - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
  - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
  - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
  - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

#### 4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
  - (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.



- h.** A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

## 5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

## 6. Vacancy

### a. Description Of Terms

- (1)** As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:
- (a)** When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

- (b)** When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- (i)** Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
- (ii)** Used by the building owner to conduct customary operations.

- (2)** Buildings under construction or renovation are not considered vacant.

### b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1)** We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:
- (a)** Vandalism;
- (b)** Sprinkler leakage, unless you have protected the system against freezing;
- (c)** Building glass breakage;
- (d)** Water damage;
- (e)** Theft; or
- (f)** Attempted theft.
- (2)** With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

## 7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a.** At actual cash value as of the time of loss or damage, except as provided in **b.**, **c.**, **d.** and **e.** below.
- b.** If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value, even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
  - (1) Actual cash value of the lost or damaged property if you make repairs promptly.
  - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (3) Nothing if others pay for repairs or replacement.

## F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

### 1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

### Example 1 (Underinsurance)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 100,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$100,000 \div \$200,000 = .50$

Step (3):  $\$40,000 \times .50 = \$20,000$

Step (4):  $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

### Example 2 (Adequate Insurance)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 200,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$250,000 \times 80\%$ ). Therefore, the Limit of Insurance in this example is adequate, and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

### Example 3

When:	The value of the property is:	
	Building at Location 1:	\$ 75,000
	Building at Location 2:	\$ 100,000
	Personal Property at Location 2:	<u>\$ 75,000</u>
		\$ 250,000
	The Coinsurance percentage for it is:	90%
	The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is:	\$ 180,000
	The Deductible is:	\$ 1,000
	The amount of loss is:	
	Building at Location 2:	\$ 30,000
	Personal Property at Location 2:	<u>\$ 20,000</u>
		\$ 50,000

Step (1):  $\$250,000 \times 90\% = \$225,000$   
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):  $\$180,000 \div \$225,000 = .80$

Step (3):  $\$50,000 \times .80 = \$40,000$

Step (4):  $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

## 2. Mortgageholders

- The term mortgageholder includes trustee.
- We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - Pays any premium due under this Coverage Part at our request if you have failed to do so;

- Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

- Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

- The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

- 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

## G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

### 1. Agreed Value

- The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
  - (1) On or after the effective date of this Optional Coverage; and
  - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

## 2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
  - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
  - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
  - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

### Example

If: The applicable Limit of Insurance is: \$ 100,000  
 The annual percentage increase is: 8%  
 The number of days since the beginning of the policy year (or last policy change) is: 146  
 The amount of increase is:  
 $\$100,000 \times .08 \times 146 \div 365 =$  \$ 3,200

## 3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
  - (1) Personal property of others;
  - (2) Contents of a residence;
  - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or

- (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
  - (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
  - (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The cost to replace the lost or damaged property with other property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose; or
  - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

**4. Extension Of Replacement Cost To Personal Property Of Others**

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

**H. Definitions**

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.



COMMERCIAL PROPERTY  
CP 00 30 10 12

## BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

### A. Coverage

#### 1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit Of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit Of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises means:

- (a) The portion of the building which you rent, lease or occupy;
- (b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

#### 2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.



- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

### 3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

### 4. Additional Limitation – Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- d. This Additional Limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

## 5. Additional Coverages

### a. Civil Authority

In this Additional Coverage, Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
  - (2) When your Civil Authority Coverage for Business Income ends;
- whichever is later.

**b. Alterations And New Buildings**

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
  - (a) Used in the construction, alterations or additions; or
  - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

**c. Extended Business Income**

**(1) Business Income Other Than "Rental Value"**

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
  - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 60 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**(2) "Rental Value"**

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
  - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 60 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**d. Interruption Of Computer Operations**

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.

- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss. However, we will not provide coverage under this Additional Coverage when the Additional Limitation – Interruption Of Computer Operations does not apply based on Paragraph A.4.d. therein.
  - (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
    - (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
    - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, includes Collapse as set forth in that form.
    - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Interruption Of Computer Operations.
    - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
  - (4) The most we will pay under this Additional Coverage, Interruption Of Computer Operations, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
  - (5) This Additional Coverage, Interruption Of Computer Operations, does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.
- 6. Coverage Extension**
- If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:
- Newly Acquired Locations**
- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
  - b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location, unless a higher limit is shown in the Declarations.
  - c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
    - (1) This policy expires;

(2) 30 days expire after you acquire or begin to construct the property; or

(3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

## B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

1. Alterations And New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage.

## C. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

### 1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

## 2. Duties In The Event Of Loss

a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
  
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (7) Cooperate with us in the investigation or settlement of the claim.
- (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

### 3. Loss Determination

- a. The amount of Business Income loss will be determined based on:
  - (1) The Net Income of the business before the direct physical loss or damage occurred;
  - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
  - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
  - (4) Other relevant sources of information, including:
    - (a) Your financial records and accounting procedures;
    - (b) Bills, invoices and other vouchers; and
    - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
  - (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
    - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
    - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
  - (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

### c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

### 4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

### D. Additional Condition

#### COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

1. The Coinsurance percentage shown for Business Income in the Declarations; times
2. The sum of:
  - a. The Net Income (Net Profit or Loss before income taxes), and
  - b. Operating expenses, including payroll expenses,
 that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).



Instead, we will determine the most we will pay using the following steps:

- Step (1):** Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- Step (2):** Divide the Limit of Insurance for the described premises by the figure determined in **Step (1)**; and
- Step (3):** Multiply the total amount of loss by the figure determined in **Step (2)**.

We will pay the amount determined in **Step (3)** or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight – outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form **CP 15 11** is attached);
- (11) All payroll expenses or the amount of payroll expense excluded (if Form **CP 15 10** is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

### Example 1 (Underinsurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$ 150,000

The amount of loss is: \$ 80,000

**Step (1):**  $\$400,000 \times 50\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

**Step (2):**  $\$150,000 \div \$200,000 = .75$

**Step (3):**  $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

### Example 2 (Adequate Insurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$ 200,000

The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$400,000 \times 50\%$ ). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

### E. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

#### 1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.



b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

- (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
- (2) The Limit Of Insurance shown in the Declarations.

## 2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
  - (1) The Limit of Insurance, multiplied by
  - (2) The fraction shown in the Declarations for this Optional Coverage.

### Example

When: The Limit of Insurance is:	\$ 120,000
The fraction shown in the Declarations for this Optional Coverage is:	1/4
The most we will pay for loss in each period of 30 consecutive days is:	\$ 30,000
(\$120,000 x 1/4 = \$30,000)	
If, in this example, the actual amount of loss is:	
Days 1–30:	\$ 40,000
Days 31–60:	\$ 20,000
Days 61–90:	\$ 30,000
	<hr/>
	\$ 90,000
We will pay:	
Days 1–30:	\$ 30,000
Days 31–60:	\$ 20,000
Days 61–90:	\$ 30,000
	<hr/>
	\$ 80,000

The remaining \$10,000 is not covered.

## 3. Business Income Agreed Value

- a. To activate this Optional Coverage:
  - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
    - (a) During the 12 months prior to the date of the Work Sheet; and

(b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

(2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:

- (a) The Coinsurance percentage shown in the Declarations; multiplied by
- (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.

b. The Additional Condition, Coinsurance, is suspended until:

- (1) 12 months after the effective date of this Optional Coverage; or
- (2) The expiration date of this policy; whichever occurs first.

c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:

- (1) Within 12 months of the effective date of this Optional Coverage; or
- (2) When you request a change in your Business Income Limit of Insurance.

d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

- (1) The Business Income Limit of Insurance; divided by
- (2) The Agreed Value.

### Example

When: The Limit of Insurance is:	\$ 100,000
The Agreed Value is:	\$ 200,000
The amount of loss is:	\$ 80,000

Step (1):  $\$100,000 \div \$200,000 = .50$

Step (2):  $.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

## 4. Extended Period Of Indemnity

Under Paragraph A.5.c., **Extended Business Income**, the number 60 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

**F. Definitions**

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:
  - a. Your business activities occurring at the described premises; and
  - b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
3. "Period of restoration" means the period of time that:
  - a. Begins:
    - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
    - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
 

caused by or resulting from any Covered Cause of Loss at the described premises; and
  - b. Ends on the earlier of:
    - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

  - (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or

- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Rental Value" means Business Income that consists of:
  - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
  - b. Continuing normal operating expenses incurred in connection with that premises, including:
    - (1) Payroll; and
    - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. "Suspension" means:
  - a. The slowdown or cessation of your business activities; or
  - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

**COMMERCIAL PROPERTY****COMMERCIAL PROPERTY CONDITIONS**

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

**A. CONCEALMENT, MISREPRESENTATION OR FRAUD**

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

**B. CONTROL OF PROPERTY**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

**C. INSURANCE UNDER TWO OR MORE COVERAGES**

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

**D. LEGAL ACTION AGAINST US**

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

**E. LIBERALIZATION**

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

**F. NO BENEFIT TO BAILEE**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**G. OTHER INSURANCE**

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

**H. POLICY PERIOD, COVERAGE TERRITORY**

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

**I. TRANSFER OF RIGHTS OF RECOVERY  
AGAINST OTHERS TO US**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.

COMMERCIAL PROPERTY  
CP 01 40 07 06

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY**

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.  
However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
  - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
  - 2.** Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

COMMERCIAL PROPERTY  
CP 01 49 06 07

## ILLINOIS CHANGES – ARTIFICIALLY GENERATED ELECTRICAL CURRENT EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

**A.** The exclusion set forth in:

1. Paragraph **B.2.a.** of the Standard Property Policy, the Causes Of Loss – Basic Form, the Causes Of Loss – Broad Form and the Causes Of Loss – Special Form; and
2. Paragraph **B.2.b.** of the Mortgageholders Errors And Omissions Coverage Form

is replaced by the following exclusion:

We will not pay for loss or damage caused by or resulting from artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.



POLICY NUMBER:ZBC D713544 02

COMMERCIAL PROPERTY  
CP 04 11 10 12**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

### SCHEDULE

Premises Number	Building Number	Protective Safeguards Symbols Applicable
1	1	P-1
<b>Describe Any "P-9":</b>		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

**A. The following is added to the Commercial Property Conditions:****Protective Safeguards**

- As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
- The protective safeguards to which this endorsement applies are identified by the following symbols:

**"P-1" Automatic Sprinkler System**, including related supervisory services.

Automatic Sprinkler System means:

- Any automatic fire protective or extinguishing system, including connected:
  - Sprinklers and discharge nozzles;
  - Ducts, pipes, valves and fittings;
  - Tanks, their component parts and supports; and
  - Pumps and private fire protection mains.
- When supplied from an automatic fire protective system:
  - Non-automatic fire protective systems; and

- Hydrants, standpipes and outlets.

**"P-2" Automatic Fire Alarm**, protecting the entire building, that is:

- Connected to a central station; or
- Reporting to a public or private fire alarm station.

**"P-3" Security Service**, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.**"P-4" Service Contract** with a privately owned fire department providing fire protection service to the described premises.**"P-5" Automatic Commercial Cooking Exhaust And Extinguishing System** installed on cooking appliances and having the following components:

- Hood;
- Grease removal device;
- Duct system; and
- Wet chemical fire extinguishing equipment.

**"P-9"**, the protective system described in the Schedule.

**B.** The following is added to the **Exclusions** section of:

Causes Of Loss – Basic Form

Causes Of Loss – Broad Form

Causes Of Loss – Special Form

Mortgageholders Errors And Omissions Coverage Form

Standard Property Policy

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or

2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System or Automatic Commercial Cooking Exhaust And Extinguishing System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

**COMMERCIAL PROPERTY**  
**CP 10 30 10 12**

## CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G**. Definitions.

### A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

### B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

#### a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

#### b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

With respect to coverage for Volcanic Action as set forth in **(5)(a)**, **(5)(b)** and **(5)(c)**, all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion applies regardless of whether any of the above, in Paragraphs **(1)** through **(5)**, is caused by an act of nature or is otherwise caused.

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

**d. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

**e. Utility Services**

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

**f. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

**h. "Fungus", Wet Rot, Dry Rot And Bacteria**

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria result in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungus", wet or dry rot or bacteria result from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

- a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d.(1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;

- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

- (7) The following causes of loss to personal property:

- (a) Dampness or dryness of atmosphere;
- (b) Changes in or extremes of temperature; or
- (c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1) You do your best to maintain heat in the building or structure; or

- (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;
- (2) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, including any of the following conditions of property or any part of the property:
- (1) An abrupt falling down or caving in;
- (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, k., does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage, Collapse; or

- (b) To collapse caused by one or more of the following:

- (i) The "specified causes of loss";
- (ii) Breakage of building glass;
- (iii) Weight of rain that collects on a roof; or
- (iv) Weight of people or personal property.

- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Faulty, inadequate or defective:
- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;
- of part or all of any property on or off the described premises.



#### 4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

##### a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:
  - (a) Damage or destruction of "finished stock"; or
  - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
  - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
  - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

- (5) Any other consequential loss.

##### b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a., Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
  - (a) Your cancelling the lease;
  - (b) The suspension, lapse or cancellation of any license; or
  - (c) Any other consequential loss.

##### c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:
  - (a) Paragraph B.1.a. Ordinance Or Law;
  - (b) Paragraph B.1.c. Governmental Action;
  - (c) Paragraph B.1.d. Nuclear Hazard;
  - (d) Paragraph B.1.e. Utility Services; and
  - (e) Paragraph B.1.f. War And Military Action.
- (2) The following additional exclusions apply to insurance under this Coverage Form:

##### (a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

##### (b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

## 5. Additional Exclusion

The following provisions apply only to the specified property:

### Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

## C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated:

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
  - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
  - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
    - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
    - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
  - (2) Business Income Coverage or Extra Expense Coverage.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
  - f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
  - g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
    - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
    - (2) Changes in or extremes of temperature;
    - (3) Disease;
    - (4) Frost or hail; or
    - (5) Rain, snow, ice or sleet.
  2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
    - a. Animals, and then only if they are killed or their destruction is made necessary.
    - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
      - (1) Glass; or
      - (2) Containers of property held for sale.
    - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.
 

However, this limitation does not apply:

      - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
      - (2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):
  - a. \$2,500 for furs, fur garments and garments trimmed with fur.
  - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
  - c. \$2,500 for patterns, dies, molds and forms.
  - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:
  - a. Results in discharge of any substance from an automatic fire protection system; or
  - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

#### **D. Additional Coverage – Collapse**

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

1. For the purpose of this Additional Coverage, Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
  - a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
  - c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
  - d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
    - (1) A cause of loss listed in **2.a.** or **2.b.**;
    - (2) One or more of the "specified causes of loss";
    - (3) Breakage of building glass;
    - (4) Weight of people or personal property; or
    - (5) Weight of rain that collects on a roof.
3. This **Additional Coverage – Collapse** does **not** apply to:
  - a. A building or any part of a building that is in danger of falling down or caving in;
  - b. A part of a building that is standing, even if it has separated from another part of the building; or
  - c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
4. With respect to the following property:
  - a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;

- b. Awnings, gutters and downspouts;
  - c. Yard fixtures;
  - d. Outdoor swimming pools;
  - e. Fences;
  - f. Piers, wharves and docks;
  - g. Beach or diving platforms or appurtenances;
  - h. Retaining walls; and
  - i. Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
- (2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
  - b. The personal property which collapses is inside a building; and
  - c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

- 6. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- 7. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
- 8. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in **D.1.** through **D.7.**

#### **E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**

- 1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

- a. A "specified cause of loss" other than fire or lightning; or
- b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

- 2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
  - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
- 3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form:
- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
  - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

## F. Additional Coverage Extensions

### 1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
  - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
  - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
  - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

### 2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

### 3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.



- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension **F.3.** does not increase the Limit of Insurance.

#### **G. Definitions**

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or
    - (2) Sinking or collapse of land into man-made underground cavities.
  - b. Falling objects does not include loss or damage to:
    - (1) Personal property in the open; or
    - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

#### **c. Water damage means:**

- (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and
- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in **c.(1)** or **c.(2)** of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.



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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****ILLINOIS CHANGES**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 FARM COVERAGE PART  
 STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to Standard Property Policy **CP 00 99**, the terms Coverage Part and Coverage Form in this endorsement are replaced by the term Policy.
- B.** The following is added to the **Legal Action Against Us** Condition:  
 The two year period for legal action against us is extended by the number of days between the date the proof of loss is filed with us and the date we deny the claim in whole or in part.
- C.** If this policy covers:
  1. The following in **a.** and **b.**, then Paragraphs **2.** and **3.** apply:
    - a.** Real property used principally for residential purposes up to and including a four family dwelling; or
    - b.** Household or personal property that is usual or incidental to the occupancy of any premises used for residential purposes.
  2. The second paragraph of the **Appraisal** Condition is deleted and replaced by the following:
    - a.** Each party will pay its own appraiser and bear the other expenses of the appraisal and umpire equally, except as provided in **b.** below.
    - b.** We will pay your appraiser's fee and the umpire's appraisal fee, if the following conditions exist:
      - (1) You demanded the appraisal; and
      - (2) The full amount of loss, as set by your appraiser, is agreed to by our appraiser or by the umpire.
3. The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following:  
**Concealment, Misrepresentation Or Fraud**
  - a.** This Coverage Part or Coverage Form is void if you or any insured ("insured") commit fraud or conceal or misrepresent a fact in the process leading to the issuance of this insurance, and such fraud, concealment or misrepresentation is stated in the policy or endorsement or in the written application for this policy and:
    - (1) Was made with actual intent to deceive; or
    - (2) Materially affected either our decision to provide this insurance or the hazard we assumed.

However, this condition will not serve as a reason to void this Coverage Part or Coverage Form after the Coverage Part or Coverage Form has been in effect for one year or one policy term, whichever is less.
  - b.** We do not provide coverage under this Coverage Part or Coverage Form to you or any other insured ("insured") who, at any time subsequent to the issuance of this insurance, commit fraud or intentionally conceal or misrepresent a material fact relating to:
    - (1) This Coverage Part or Coverage Form;
    - (2) The Covered Property;
    - (3) Your interest in the Covered Property; or
    - (4) A claim under this Coverage Part or Coverage Form.
  - c.** Notwithstanding the limitations stated in **3.a.** above, we may cancel the Coverage Part or Coverage Form in accordance with the terms of the Cancellation Condition.

**D.** For the Commercial Property Coverage Part and the Standard Property Policy, the following exclusion and related provisions are added to Paragraph **B.2.** Exclusions in the Causes of Loss Forms and to any Coverage Form or policy to which a Causes of Loss Form is not attached:

1. We will not pay for loss or damage arising out of any act an insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no insured is entitled to coverage, even insureds who did not commit or conspire to commit the act causing the loss.

2. However, this exclusion will not apply to deny payment to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if:

- a. The loss arose out of a pattern of criminal domestic violence; and
- b. The perpetrator of the loss is criminally prosecuted for the act causing the loss.

3. If we pay a claim pursuant to Paragraph **D.2.**, our payment to the insured is limited to that insured's insurable interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

**E.** The **Intentional Loss Exclusion** in the Causes of Loss Form – Farm Property, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form is replaced by the following:

1. We will not pay for loss ("loss") or damage arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss ("loss").

In the event of such loss ("loss"), no "insured" is entitled to coverage, even "insureds" who did not commit or conspire to commit the act causing the loss ("loss").

2. However, this exclusion will not apply to deny payment to an innocent co-"insured" who did not cooperate in or contribute to the creation of the loss ("loss") if:

- a. The loss ("loss") arose out of a pattern of criminal domestic violence; and
- b. The perpetrator of the loss ("loss") is criminally prosecuted for the act causing the loss.

3. If we pay a claim pursuant to Paragraph **E.2.**, our payment to the "insured" is limited to that "insured's" insurable interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

**F.** The **Intentional Loss Exclusion** in the Capital Assets Program (Output Policy) Coverage Part, is replaced by the following:

1. We will not pay for loss or damage arising out of any act an insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no insured is entitled to coverage, even insureds who did not commit or conspire to commit the act causing the loss.

2. However, this exclusion will not apply to deny payment to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if:

- a. The loss arose out of a pattern of criminal domestic violence; and
- b. The perpetrator of the loss is criminally prosecuted for the act causing the loss.

3. If we pay a claim pursuant to Paragraph **F.2.**, our payment to the insured is limited to that insured's insurable interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ASBESTOS LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS POLICY  
COMMERCIAL GENERAL LIABILITY COVERAGE PART**

This insurance does not apply to “bodily injury”, “property damage”, “personal injury” or “advertising injury” arising out of any actual or alleged:

1. Inhaling, ingesting or prolonged physical exposure by any person to asbestos or asbestos fibers or goods or products containing asbestos; or
2. Use of asbestos in constructing or manufacturing any good, product or structure; or
3. Intentional or accidental removal including encapsulation, dispersal, sealing or disposal of asbestos or asbestos fibers from any good, product or structure; or
4. Manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos; or
5. Product manufactured, sold, handled or distributed by or on behalf of the insured which contain asbestos; or
6. Acts or omissions of the insured in connection with the general supervision of any job involving the removal, enclosure, encapsulation, dispersal, sealing or disposal of asbestos, asbestos fibers or products containing asbestos.

General supervision includes the rendering of or failure to render any instructions, recommendations, warnings or advice.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – TOBACCO AND ELECTRONIC CIGARETTE LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART FOR OPERATIONS OF DESIGNATED CONTRACTOR  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART

The following is added to **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** and **SECTION I – COVERAGES, COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions** in the COMMERCIAL GENERAL LIABILITY COVERAGE PART; **SECTION I – COVERAGES, BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** in the OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART - COVERAGE FOR OPERATIONS OF DESIGNATED CONTRACTOR; **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** and **SECTION I – COVERAGES, COVERAGE B – PHYSICAL DAMAGE TO PROPERTY, 2. Exclusions** in the RAILROAD PROTECTIVE LIABILITY COVERAGE PART; or **SECTION I – LIQUOR LIABILITY COVERAGE, 2. Exclusions** in the LIQUOR LIABILITY COVERAGE PART:

This insurance does not apply to:

### Tobacco Products and Electronic Cigarettes

Any liability or expense arising out of, resulting from or caused by tobacco products, electronic cigarettes, other electronic nicotine-delivery devices, or smoke, heat, ash, vapor, fumes, propylene glycol, glycerol, flavorings, nicotine, and other byproducts from or components or of such products or devices.

This exclusion also applies to:

- (1) Supervision, instructions, recommendations, warnings, representations, warranties or advice given or which should have been given in connection with the use of tobacco products, electronic cigarettes or other electronic nicotine-delivery devices; or
- (2) Any obligation to share damages with or repay someone else who must pay damages because of injury or damages arising out of the use of tobacco products, electronic cigarettes or other electronic nicotine-delivery devices.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## COMMERCIAL GENERAL LIABILITY BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

#### SUMMARY OF COVERAGES

1.	Additional Insured by Contract, Agreement or Permit	Included
2.	Additional Insured – Primary and Non-Contributory	Included
3.	Blanket Waiver of Subrogation	Included
4.	Bodily Injury Redefined	Included
5.	Broad Form Property Damage – Borrowed Equipment, Customers Goods & Use of Elevators	Included
6.	Knowledge of Occurrence	Included
7.	Liberalization Clause	Included
8.	Medical Payments – Extended Reporting Period	Included
9.	Newly Acquired or Formed Organizations - Covered until end of policy period	Included
10.	Non-owned Watercraft	51 ft.
11.	Supplementary Payments Increased Limits	
	- Bail Bonds	\$2,500
	- Loss of Earnings	\$1000
12.	Unintentional Failure to Disclose Hazards	Included
13.	Unintentional Failure to Notify	Included

This endorsement amends coverages provided under the Commercial General Liability Coverage Part through new coverages, higher limits and broader coverage grants.

#### 1. Additional Insured by Contract, Agreement or Permit

The following is added to **SECTION II – WHO IS AN INSURED**:

##### Additional Insured by Contract, Agreement or Permit

- a. Any person or organization with whom you agreed in a written contract, written agreement or permit that such person or organization to add an additional insured on your policy is an additional insured only with respect to liability for “bodily injury”, “property damage”, or “personal and advertising injury” caused, in whole or in part, by your acts or omissions, or the acts or omissions of those acting on your behalf, but only with respect to:

- (1) "Your work" for the additional insured(s) designated in the contract, agreement or permit;

- (2) Premises you own, rent, lease or occupy; or

- (3) Your maintenance, operation or use of equipment leased to you.

- b. The insurance afforded to such additional insured described above:

- (1) Only applies to the extent permitted by law; and

- (2) Will not be broader than the insurance which you are required by the contract, agreement or permit to provide for such additional insured.

- (3) Applies on a primary basis if that is required by the written contract, written agreement or permit.
  - (4) Will not be broader than coverage provided to any other insured.
  - (5) Does not apply if the "bodily injury", "property damage" or "personal and advertising injury" is otherwise excluded from coverage under this Coverage Part, including any endorsements thereto.
- c. This provision does not apply:
- (1) Unless the written contract or written agreement was executed or permit was issued prior to the "bodily injury", "property damage", or "personal injury and advertising injury".
  - (2) To any person or organization included as an insured by another endorsement issued by us and made part of this Coverage Part.
  - (3) To any lessor of equipment:
    - (a) After the equipment lease expires; or
    - (b) If the "bodily injury", "property damage", "personal and advertising injury" arises out of sole negligence of the lessor
  - (4) To any:
    - (a) Owners or other interests from. whom land has been leased which takes place after the lease for the land expires; or
    - (b) Managers or lessors of premises if:
      - (i) The occurrence takes place after you cease to be a tenant in that premises; or
      - (ii) The "bodily injury", "property damage", "personal injury" or "advertising injury" arises out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor.
  - (5) To "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services.
- This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" or the offense which caused the "personal and

advertising injury" involved the rendering of or failure to render any professional services by or for you.

- d. With respect to the insurance afforded to these additional insureds, the following is added to **SECTION III – LIMITS OF INSURANCE**:

The most we will pay on behalf of the additional insured for a covered claim is the lesser of the amount of insurance:

- 1. Required by the contract, agreement or permit described in Paragraph a.; or
- 2. Available under the applicable Limits of Insurance shown in the Declarations.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

## 2. Additional Insured – Primary and Non-Contributory

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 4. Other insurance:

### Additional Insured – Primary and Non-Contributory

If you agree in a written contract, written agreement or permit that the insurance provided to any person or organization included as an Additional Insured under **SECTION II – WHO IS AN INSURED**, is primary and non-contributory, the following applies:

If other valid and collectible insurance is available to the Additional Insured for a loss covered under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

#### a. Primary Insurance

This insurance is primary to other insurance that is available to the Additional Insured which covers the

Additional Insured as a Named Insured. We will not seek contribution from any other insurance available to the Additional Insured except:

- (1) For the sole negligence of the Additional Insured;
- (2) When the Additional Insured is an Additional Insured under another primary liability policy; or
- (3) when b. below applies.

If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.



**b. Excess Insurance**

(1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (b) That is Fire insurance for premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner;
- (c) That is insurance purchased by the Additional Insured to cover the Additional Insured's liability as a tenant for "property damage" to premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner; or

(d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**.

(2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other Insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each

insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers

**3. Blanket Waiver of Subrogation**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us:**

We waive any right of recovery we may have against any person or organization with whom you have a written contract that requires such waiver because of payments we make for damage under this coverage form. The damage must arise out of your activities under a written contract with that person or organization. This waiver applies only to the extent that subrogation is waived under a written contract executed prior to the "occurrence" or offense giving rise to such payments.

**4. Bodily Injury Redefined**

**SECTION V – DEFINITIONS**, Definition 3. "bodily injury" is replaced by the following:

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these at any time. "Bodily injury" includes mental anguish or other mental injury resulting from "bodily injury".

**5. Broad Form Property Damage – Borrowed Equipment, Customers Goods, Use of Elevators**

a. **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph 2. **Exclusions** subparagraph j. is amended as follows:

Paragraph (4) does not apply to "property damage" to borrowed equipment while at a jobsite and not being used to perform operations.

Paragraphs (3), (4) and (6) do not apply to "property damage" to "customers goods" while on your premises nor do they apply to the use of elevators at premises you own, rent, lease or occupy.

b. The following is added to **SECTION V – DEFINITIONS:**

24. "Customers goods" means property of your customer on your premises for the purpose of being:

- a. worked on; or
- b. used in your manufacturing process.
- c. The insurance afforded under this provision is excess over any other valid and collectible property insurance (including deductible) available to the insured whether primary, excess, contingent

**6. Knowledge of Occurrence**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 2. **Duties in the Event of Occurrence, Offense, Claim or Suit:**

- e. Notice of an "occurrence", offense, claim or "suit" will be considered knowledge of the insured if reported to an individual named insured, partner, executive officer or an "employee" designated by you to give us such a notice.

**7. Liberalization Clause**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

**Liberalization Clause**

If we adopt any revision that would broaden the coverage under this Coverage Form without additional premium, within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

**8. Medical Payments – Extended Reporting Period**

- a. **SECTION I – COVERAGES, COVERAGE C – MEDICAL PAYMENTS**, Paragraph 1. **Insuring Agreement**, subparagraph a.(3)(b) is replaced by the following:
  - (b) The expenses are incurred and reported to us within three years of the date of the accident; and
- b. This coverage does not apply if **COVERAGE C – MEDICAL PAYMENTS** is excluded either by the provisions of the Coverage Part or by endorsement.

**9. Newly Acquired Or Formed Organizations**

**SECTION II – WHO IS AN INSURED**, Paragraph 3.a. is replaced by the following:

- a. Coverage under this provision is afforded until the end of the policy period.

**10. Non-Owned Watercraft**

**SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph 2. **Exclusions**, subparagraph g.(2) is replaced by the following:

**g. Aircraft, Auto Or Watercraft**

(2) A watercraft you do not own that is:

- (a) Less than 51 feet long; and
- (b) Not being used to carry persons or property for a charge;

This provision applies to any person who, with your consent, either uses or is responsible for the use of a watercraft.

**11. Supplementary Payments Increased Limits**

**SECTION I – SUPPLEMENTARY PAYMENTS COVERAGES A AND B**, Paragraphs 1.b. and 1.d. are replaced by the following:

**1.b.** Up to \$2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

**1.d.** All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1000 a day because of time off from work.

**12. Unintentional Failure to Disclose Hazards**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 6. **Representations:**

We will not disclaim coverage under this Coverage Part if you fail to disclose all hazards existing as of the inception date of the policy provided such failure is not intentional.

**13. Unintentional Failure to Notify**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 2. **Duties in the Event of Occurrence, Offense, Claim or Suit:**

Your rights afforded under this policy shall not be prejudiced if you fail to give us notice of an "occurrence", offense, claim or "suit", solely due to your reasonable and documented belief that the "bodily injury" or "property damage" is not covered under this policy.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## COMMERCIAL GENERAL LIABILITY ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

#### SUMMARY OF COVERAGES

1.	Additional Insured – Broad Form Vendors	Included
2.	Aggregate Limit per Location	Included
3.	Alienated Premises	Included
4.	Broad Form Named Insured	Included
5.	Extended Property Damage	Included
6.	Incidental Malpractice (Employed nurses, EMT's & paramedics)	Included
7.	Mobile Equipment Redefined	Included
8.	Personal Injury – Broad Form	Included
9.	Product Recall Expense	
	- Product Recall Expense Each Occurrence Limit	\$25,000
	- Product Recall Expense Aggregate Limit	\$50,000
	- Product Recall Deductible	\$500
10.	Property Damage Legal Liability – Broad Form	
	- Fire, Lightning, Explosion, Smoke and Leakage from Fire Protective Systems Damage Limit	\$1,000,000

This endorsement amends coverages provided under the Commercial General Liability Coverage Part through new coverages, higher limits and broader coverage grants.

#### 1. Additional Insured – Broad Form Vendors

The following is added to **SECTION II – WHO IS AN INSURED:**

##### Additional Insured – Broad Form Vendors

- a. Any person or organization that is a vendor with whom you agreed in a written contract or written agreement to include as an additional insured under this Coverage Part is an insured, but only with respect to liability for "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business.
- b. The insurance afforded to such vendor described above:
  - (1) Only applies to the extent permitted by law;
  - (2) Will not be broader than the insurance which you are required by the contract or agreement to provide for such vendor;
  - (3) Will not be broader than coverage provided to any other insured; and

- (4) Does not apply if the "bodily injury", "property damage" or "personal and advertising injury" is otherwise excluded from coverage under this Coverage Part, including any endorsements thereto

- c. With respect to insurance afforded to such vendors, the following additional exclusions apply:

The insurance afforded to the vendor does not apply to:

- (1) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reasons of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (2) Any express warranty unauthorized by you;
- (3) Any physical or chemical change in the product made intentionally by the vendor;
- (4) Repackaging, unless unpacked solely for the purpose of inspection, demonstration,

testing, or the substitution of parts under instruction from the manufacturer, and then repackaged in the original container;

- (5) Any failure to make such inspection, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business in connection with the sale of the product;
  - (6) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
  - (7) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
  - (8) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
    - (a) The exceptions contained within the exclusion in subparagraphs (4) or (6) above; or
    - (b) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
  - (9) "Bodily injury" or "property damage" arising out of an "occurrence" that took place before you have signed the contract or agreement with the vendor.
  - (10) To any person or organization included as an insured by another endorsement issued by us and made part of this Coverage Part.
  - (11) Any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
- d. With respect to the insurance afforded to these vendors, the following is added to **SECTION III – LIMITS OF INSURANCE:**
- The most we will pay on behalf of the vendor for a covered claim is the lesser of the amount of insurance:
1. Required by the contract or agreement described in Paragraph a.; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

## 2. Aggregate Limit Per Location

- a. **SECTION III – LIMITS OF INSURANCE**, the General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.

- b. For purpose of this coverage only, the following is added to **SECTION V – DEFINITIONS:**

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

## 3. Alienated Premises

**SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph 2. **Exclusions**, subparagraph j.(2) is replaced by the following:

- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises and occurred from hazards that were known by you, or should have reasonably been known by you, at the time the property was transferred or abandoned.

## 4. Broad Form Named Insured

If you are designated in the Declarations as anything other than an individual, then any organization:

- a. Over which you maintained a combined ownership interest of more than 50% on the effective date of this policy;
- b. That is not a partnership, joint venture or limited liability company; and
- c. That is not excluded by any endorsement to this policy, will qualify as a Named Insured if there is no other similar insurance available to that organization, or that would be available but for exhaustion of its limits.

Any such organization will cease to qualify as a Named Insured as of the date during the policy period when the combined ownership interest of the Named Insureds in the organization equals or falls below 50%.

## 5. Extended Property Damage

**SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph 2. **Exclusions**, subparagraph a. is replaced by the following:



**a. Expected Or Intended Injury**

Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

**6. Incidental Malpractice – Employed Nurses, EMT's and Paramedics**

**SECTION II – WHO IS AN INSURED**, paragraph **2.a.(1)(d)** does not apply to a nurse, emergency medical technician or paramedic employed by you if you are not engaged in the business or occupation of providing medical, paramedical, surgical, dental, x-ray or nursing services.

**7. Mobile Equipment Redefined**

**SECTION V – DEFINITIONS**, Definition **12**. "Mobile Equipment", paragraph **f.(1)** does not apply to self-propelled vehicles of less than 1,000 pounds gross vehicle weight.

**8. Personal Injury – Broad Form**

**a. SECTION I – COVERAGES, COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**, Paragraph **2. Exclusions**, subparagraph **e.** is deleted.

**b. SECTION V – DEFINITIONS**, Definition **14**, "Personal and advertising injury" subparagraph **b.** is replaced by the following:

**b.** Malicious prosecution or abuse of process.

**c.** The following is added to **SECTION V – DEFINITIONS**, Definition **14**. "Personal and advertising injury":

"Discrimination" (unless insurance thereof is prohibited by law) that results in injury to the feelings or reputation of a natural person, but only if such "discrimination" is:

**(1)** Not done intentionally by or at the direction of:

**(a)** The insured;

**(b)** Any officer of the corporation, director, stockholder, partner or member of the insured; and

**(2)** Not directly or indirectly related to an "employee", not to the employment, prospective employment or termination of any person or persons by an insured.

**d.** The following is added to **SECTION V – DEFINITIONS**:

"Discrimination" means the unlawful treatment of individuals based upon race, color, ethnic origin, gender, religion, age, or sexual preference. "Discrimination" does not

include the unlawful treatment of individuals based upon developmental, physical, cognitive, mental, sensory or emotional impairment or any combination of these.

**e.** This coverage does not apply if **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY** is excluded either by the provisions of the Coverage Form or by endorsement.

**9. Product Recall Expense**

**a. SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph **2. Exclusions**, subparagraph **n.** is replaced by the following:

**n. Recall of Products, Work or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

**(1)** "Your product";

**(2)** "Your work"; or

**(3)** "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it, but this exclusion does not apply to "product recall expenses" that you incur for the "covered recall" of "your product".

However, this exception to the exclusion does not apply to "product recall expenses" resulting solely from:

**(4)** Failure of any products to accomplish their intended purpose;

**(5)** Breach of warranties of fitness, quality, durability or performance;

**(6)** Loss of customer approval, or any cost incurred to regain customer approval;

**(7)** Redistribution or replacement of "your product" which has been recalled by like products or substitutes;

**(8)** Caprice or whim of the insured;

**(9)** A condition likely to cause loss of which any insured knew or had reason to know at the inception of this insurance;

- (10) Asbestos, including loss, damage or clean up resulting from asbestos or asbestos containing materials;
  - (11) Recall of "your products" that have no known or suspected defect solely because a known or suspected defect in another of "your products" has been found.
- b. The following is added to **SECTION II – WHO IS AN INSURED**, Paragraph 3.
- COVERAGE A** does not apply to "product recall expense" arising out of any withdrawal or recall that occurred before you acquired or formed the organization.
- c. For the purposes of this endorsement only, the following is added to **SECTION III – LIMITS OF INSURANCE**:
- Product Recall Expense Limits of Insurance**
- a. The Limits of Insurance shown in the SUMMARY OF COVERAGES of this endorsement and rules stated below fix the most we will pay under this Product Recall Expense Coverage regardless of the number of:
    - (1) Insureds:
    - (2) "Covered Recalls" initiated: or
    - (3) Number of "your products" withdrawn.
  - b. The Product Recall Expense Aggregate Limit is the most we will reimburse you for the sum of all "product recall expenses" incurred for all "covered recalls" initiated during the policy period.
  - c. The Product Recall Expense Each Occurrence Limit is the most we will pay in connection with any one defect or deficiency.
  - d. All "product recall expenses" in connection with substantially the same general harmful condition will be deemed to arise out of the same defect or deficiency and considered one "occurrence".
  - e. Any amount reimbursed for "product recall expenses" in connection with any one "occurrence" will reduce the amount of the Product Recall Expense Aggregate Limit available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.
  - f. If the Product Recall Expense Aggregate Limit has been reduced by reimbursement of "product recall

expenses" to an amount that is less than the Product Recall Expense Each Occurrence Limit, the remaining Product Recall Expense Aggregate Limit is the most that will be available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.

**g. Product Recall Deductible**

We will only pay for the amount of "product recall expenses" which are in excess of the \$500 Product Recall Deductible. The Product Recall Deductible applies separately to each "covered recall". The limits of insurance will not be reduced by the amount of this deductible.

We may, or will if required by law, pay all or any part of any deductible amount, if applicable. Upon notice of our payment of a deductible amount, you shall promptly reimburse us for the part of the deductible amount we paid.

The Product Recall Expense Limits of Insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for the purposes of determining the Limits of Insurance.

**d. The following is added to SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, Paragraph 2. Duties in the Event of Occurrence, Offense, Claim or Suit:**

You must take the following actions in the event of an actual or anticipated "covered recall" that may result in "product recall expense":

- (1) Give us prompt notice of any discovery or notification that "your product" must be withdrawn or recalled, including a description of "your product" and the reason for the withdrawal or recall; and
- (2) Cease any further release, shipment, consignment or any other method of distribution of like or similar products until it has been determined that all such products are free from defects that could be a cause of loss under this insurance.



- e. The following definitions are added to **SECTION V – DEFINITIONS**:

"Covered recall," means a recall made necessary because you or a government body has determined that a known or suspected defect, deficiency, inadequacy, or dangerous condition in "your product" has resulted or will result in "bodily injury" or "property damage".

"Product recall expense" means:

- a. Necessary and reasonable expenses for:
- (1) Communications, including radio or television announcements or printed advertisements including stationery, envelopes and postage;
  - (2) Shipping the recalled products from any purchaser, distributor or user to the place or places designated by you;
  - (3) Remuneration paid to your regular "employees" for necessary overtime;
  - (4) Hiring additional persons, other than your regular "employees";
  - (5) Expenses incurred by "employees" including transportation and accommodations;
  - (6) Expenses to rent additional warehouse or storage space;
  - (7) Disposal of "your product", but only to the extent that specific methods of destruction other than those employed for trash discarding or disposal are required to avoid "bodily injury" or "property damage" as a result of such disposal;

You incur exclusively for the purpose of recalling "your product"; and

- b. Your lost profit resulting from such "covered recall".
- f. This Product Recall Expense Coverage does not apply:
- (1) If the "products – completed operations hazard" is excluded from coverage under this Coverage Part including any endorsement thereto; or
  - (2) To "product recall expense" arising out of any of "your products" that are otherwise excluded from coverage under this Coverage Part including endorsements thereto.

## 10. Property Damage Legal Liability – Broad Form

- a. **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, the last paragraph (after the exclusions) is replaced by the following:

Exclusions c. through n. do not apply to damage by fire, lightning, explosion, smoke or leakage from fire protective systems to premises while rented to you or temporarily occupied by you with the permission of the owner. A separate limit of insurance applies to this coverage as described in **SECTION III – LIMITS OF INSURANCE**.

- b. **SECTION III – LIMITS OF INSURANCE**, Paragraph 6. is replaced by the following:

6. Subject to Paragraph 5. above, The Damage to Premises Rented to You Limit is the most we will pay under **COVERAGE A** for damages because of "property damage" to any one premises from fire, lightning, explosion, smoke and leakage from fire protective systems to premises, while rented to you or temporarily occupied by you with permission of the owner.

The Damage to Premises Rented to You Limit is the higher of:

- a. \$1,000,000; or
- b. The Damage to Premises Rented to You Limit shown in the Declarations.

This limit will apply to all damage caused by the same event, whether such damage results from fire, lightning, explosion, smoke, leakage from fire protective systems or any combination of any of these.

- c. **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 4. **Other Insurance**, subparagraph b. **Excess Insurance**, item (a)(ii) is replaced by the following:

(ii) That is fire, lightning, explosion, smoke or leakage from fire protective systems insurance for premises rented to you or temporarily occupied by you with permission of the owner; or

- d. **SECTION V – DEFINITIONS**, Definition 9. "Insured contract", Paragraph a. is replaced by the following:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke or leakage from fire protective systems to

premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract".

- e. This coverage does not apply if Damage to Premises Rented to You is excluded either by the provisions of the Coverage Part or by endorsement.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

**COMMERCIAL GENERAL LIABILITY**  
**CG 00 01 04 13**

# COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

## SECTION I – COVERAGES

### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i) Any insured; or
    - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
  - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".



(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

**g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

**h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

**i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;



- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

## **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:
- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

### **2. Exclusions**

This insurance does not apply to:

#### **a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

#### **b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

#### **c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

#### **d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

#### **e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

#### **f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

#### **g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

#### **h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

**i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

**j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

## COVERAGE C – MEDICAL PAYMENTS

### 1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
  - (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
 provided that:
  - (a) The accident takes place in the "coverage territory" and during the policy period;
  - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
  - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
  - (1) First aid administered at the time of an accident;
  - (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
  - (3) Necessary ambulance, hospital, professional nursing and funeral services.

### 2. Exclusions

We will not pay expenses for "bodily injury":

- a. **Any Insured**  
To any insured, except "volunteer workers".
- b. **Hired Person**  
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. **Injury On Normally Occupied Premises**  
To a person injured on that part of premises you own or rent that the person normally occupies.

### d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

### e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

### f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

### g. Coverage A Exclusions

Excluded under Coverage A.

## SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

- 1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
  - a. All expenses we incur.
  - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
  - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
  - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
  - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
  - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - b. This insurance applies to such liability assumed by the insured;
  - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - f. The indemnitee:
    - (1) Agrees in writing to:
      - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
      - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
      - (c) Notify any other insurer whose coverage is available to the indemnitee; and
      - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
    - (2) Provides us with written authorization to:
      - (a) Obtain records and other information related to the "suit"; and
      - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

## SECTION II – WHO IS AN INSURED

- 1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.



**2. Each of the following is also an insured:**

- a.** Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
  - (1)** "Bodily injury" or "personal and advertising injury":
    - (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
    - (b)** To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;
    - (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **(1)(a)** or **(b)** above; or
    - (d)** Arising out of his or her providing or failing to provide professional health care services.
  - (2)** "Property damage" to property:
    - (a)** Owned, occupied or used by;
    - (b)** Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by; you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b.** Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c.** Any person or organization having proper temporary custody of your property if you die, but only:
    - (1)** With respect to liability arising out of the maintenance or use of that property; and
    - (2)** Until your legal representative has been appointed.
  - d.** Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
- 3.** Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a.** Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b.** Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c.** Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

**SECTION III – LIMITS OF INSURANCE**

- 1.** The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a.** Insureds;
  - b.** Claims made or "suits" brought; or
  - c.** Persons or organizations making claims or bringing "suits".
- 2.** The General Aggregate Limit is the most we will pay for the sum of:
  - a.** Medical expenses under Coverage **C**;
  - b.** Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c.** Damages under Coverage **B**.



3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage **A**; and
  - b. Medical expenses under Coverage **C** because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

#### **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**

##### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

##### **3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

#### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

##### a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

##### b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

##### c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### 5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### 6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;

- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

#### **7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

#### **8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

#### **9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

#### **SECTION V – DEFINITIONS**

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
  - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
    - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;
 provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

**9. "Insured contract" means:**

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

**10. "Leased worker" means** a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

**11. "Loading or unloading" means** the handling of property:

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**12. "Mobile equipment" means** any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1)** Power cranes, shovels, loaders, diggers or drills; or
  - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2)** Cherry pickers and similar devices used to raise or lower workers;
- f.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.



However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**13.** "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

**14.** "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

**15.** "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**16.** "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
  - (a) When all of the work called for in your contract has been completed.
  - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
  - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

**17.** "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**18.** "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**19.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

**20.** "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

**21.** "Your product":

- a.** Means:
  - (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
    - (a)** You;
    - (b)** Others trading under your name; or
    - (c)** A person or organization whose business or assets you have acquired; and
  - (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b.** Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
  - (2)** The providing of or failure to provide warnings or instructions.
- c.** Does not include vending machines or other property rented to or located for the use of others but not sold.

**22.** "Your work":

**a.** Means:

- (1)** Work or operations performed by you or on your behalf; and
- (2)** Materials, parts or equipment furnished in connection with such work or operations.

**b.** Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2)** The providing of or failure to provide warnings or instructions.



**COMMERCIAL GENERAL LIABILITY  
CG 02 00 01 18**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ILLINOIS CHANGES – CANCELLATION  
AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PRODUCT WITHDRAWAL COVERAGE PART

**A. Cancellation** (Common Policy Conditions) is replaced by the following:

**Cancellation**

1. The first Named Insured shown in the Declarations may cancel this Policy by mailing to us advance written notice of cancellation.
2. We may cancel this Policy by mailing to you, at your last mailing address known to us, written notice stating the reason for cancellation. Proof of mailing will be sufficient proof of notice. If we cancel:
  - a. For nonpayment of premium, we will mail the notice at least 10 days prior to the effective date of cancellation.
  - b. For a reason other than nonpayment of premium, we will mail the notice at least:
    - (1) 30 days prior to the effective date of cancellation if the Policy has been in effect for 60 days or less.
    - (2) 60 days prior to the effective date of cancellation if the Policy has been in effect for more than 60 days.
3. If this Policy has been in effect for more than 60 days, we may cancel only for one or more of the following reasons:
  - a. Nonpayment of premium;
  - b. The Policy was obtained through a material misrepresentation;
  - c. Any insured has violated any of the terms and conditions of the Policy;
  - d. The risk originally accepted has measurably increased;
  - e. Certification to the Director of Insurance of the loss of reinsurance by the insurer that provided coverage to us for all or a substantial part of the underlying risk insured; or
  - f. A determination by the Director of Insurance that the continuation of the Policy could place us in violation of the insurance laws of this State.
4. Notification of cancellation will also be sent to your broker, if known, or agent of record, if known.
5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
6. If this Policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be less than pro rata. The cancellation will be effective even if we have not offered a refund.

- B. The following is added and supersedes any provision to the contrary:

**Nonrenewal**

If we decide not to renew or continue this Policy, we will mail you written notice, stating the reason for nonrenewal, at least 60 days before the end of the policy period. Proof of mailing will be sufficient proof of notice. Notification of nonrenewal will also be sent to your broker, if known, or agent of record, if known. If we offer to renew or continue and you do not accept, this Policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this Policy will end on the effective date of that insurance.

POLICY NUMBER: ZBC D713544 02

COMMERCIAL GENERAL LIABILITY  
CG 04 35 12 07**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****EMPLOYEE BENEFITS LIABILITY COVERAGE****THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.  
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Coverage	Limit Of Insurance		Each Employee Deductible	Premium
Employee Benefits Programs	\$1,000,000	each employee	\$1,000	\$316
	\$3,000,000	aggregate		
Retroactive Date:	12/31/2017			
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.				

**A. The following is added to Section I – Coverages:****COVERAGE – EMPLOYEE BENEFITS  
LIABILITY****1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph D. (Section III – Limits Of Insurance); and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

**b. This insurance applies to damages only if:**

- (1) The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";
- (2) The act, error or omission, did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and
- (3) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph c. below, during the policy period or an Extended Reporting Period we provide under Paragraph F. of this endorsement.

**c. A "claim" seeking damages will be deemed to have been made at the earlier of the following times:**

- (1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or

- (2) When we make settlement in accordance with Paragraph **a.** above.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

- d. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

## 2. Exclusions

This insurance does not apply to:

### a. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

### b. Bodily Injury, Property Damage, Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

### c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

### d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

### e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any "claim" based upon:

- (1) Failure of any investment to perform;
- (2) Errors in providing information on past performance of investment vehicles; or
- (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

## f. Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

## g. ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

## h. Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

## i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

## j. Employment-Related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

## B. For the purposes of the coverage provided by this endorsement:

1. All references to Supplementary Payments – Coverages **A** and **B** are replaced by Supplementary Payments – Coverages **A**, **B** and **Employee Benefits Liability**.
2. Paragraphs **1.b.** and **2.** of the Supplementary Payments provision do not apply.

## C. For the purposes of the coverage provided by this endorsement, Paragraphs **2.** and **4.** of **Section II – Who Is An Insured** are replaced by the following:

### 2. Each of the following is also an insured:

- a. Each of your "employees" who is or was authorized to administer your "employee benefit program".
- b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.

- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.
- 3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However:
  - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
  - b. Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.
- D. For the purposes of the coverage provided by this endorsement, **Section III - Limits Of Insurance** is replaced by the following:

#### 1. Limits Of Insurance

- a. The Limits of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
  - (1) Insureds;
  - (2) "Claims" made or "suits" brought;
  - (3) Persons or organizations making "claims" or bringing "suits";
  - (4) Acts, errors or omissions; or
  - (5) Benefits included in your "employee benefit program".
- b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
- c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:
  - (1) An act, error or omission; or
  - (2) A series of related acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations of the policy to which this endorsement is attached, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance.

#### 2. Deductible

- a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
- b. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
- c. The terms of this insurance, including those with respect to:
  - (1) Our right and duty to defend any "suits" seeking those damages; and
  - (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim"

apply irrespective of the application of the deductible amount.
- d. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.
- E. For the purposes of the coverage provided by this endorsement, Conditions 2. and 4. of **Section IV - Commercial General Liability Conditions** are replaced by the following:
  - 2. **Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"**
    - a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
      - (1) What the act, error or omission was and when it occurred; and

- (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

**b.** If a "claim" is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

**c.** You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.

**d.** No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

**4. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

**a. Primary Insurance**

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

**b. Excess Insurance**

- (1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:
  - (a) No Retroactive Date is shown in the Schedule of this insurance; or
  - (b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.
- (2) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self-insured amounts under all that other insurance.
- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Schedule of this endorsement.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance to the total applicable limits of insurance of all insurers.



- F. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added, or, if this endorsement is attached to a claims-made Coverage Part, replaces any similar Section in that Coverage Part:

#### **EXTENDED REPORTING PERIOD**

1. You will have the right to purchase an Extended Reporting Period, as described below, if:
  - a. This endorsement is canceled or not renewed; or
  - b. We renew or replace this endorsement with insurance that:
    - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
    - (2) Does not apply to an act, error or omission on a claims-made basis.
2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.
3. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a. The "employee benefit programs" insured;
- b. Previous types and amounts of insurance;
- c. Limits of insurance available under this endorsement for future payment of damages; and
- d. Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.

4. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.

Paragraph **D.1.b.** of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph **D.1.c.**

- G. For the purposes of the coverage provided by this endorsement, the following definitions are added to the **Definitions** Section:

1. "Administration" means:

- a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
- b. Handling records in connection with the "employee benefit program"; or
- c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.

2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
3. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.

4. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:
  - a. Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts; provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
  - b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
  - c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
  - d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
  - e. Any other similar benefits designated in the Schedule or added thereto by endorsement.
- H. For the purposes of the coverage provided by this endorsement, Definitions 5. and 18. in the **Definitions** Section are replaced by the following:
  5. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
  18. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:
    - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
    - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

COMMERCIAL GENERAL LIABILITY  
CG 21 06 05 14

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF  
CONFIDENTIAL OR PERSONAL INFORMATION AND  
DATA-RELATED LIABILITY – WITH  
LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion 2.p. of **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

p. **Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

B. The following is added to Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Access Or Disclosure Of Confidential Or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

COMMERCIAL GENERAL LIABILITY  
CG 21 47 12 07

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**COMMERCIAL GENERAL LIABILITY  
CG 21 55 09 99**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TOTAL POLLUTION EXCLUSION  
WITH A HOSTILE FIRE EXCEPTION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

Exclusion f. under Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

**f. Pollution**

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

This exclusion does not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:

- (a) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or

- (b) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants".

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

COMMERCIAL GENERAL LIABILITY  
CG 21 67 12 04

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** The following exclusion is added to Paragraph 2. **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

- B.** The following exclusion is added to Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

- C.** The following definition is added to the **Definitions** Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.



**COMMERCIAL GENERAL LIABILITY  
CG 21 70 01 15**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

- A.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.
- "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
- 1.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  - 2.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

COMMERCIAL GENERAL LIABILITY  
CG 21 76 01 15

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF PUNITIVE DAMAGES  
RELATED TO A CERTIFIED ACT OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**A. The following exclusion is added:**

This insurance does not apply to:

**TERRORISM PUNITIVE DAMAGES**

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

**B. The following definition is added:**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.**

COMMERCIAL GENERAL LIABILITY  
CG 21 96 03 05

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**SILICA OR SILICA-RELATED DUST EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Silica Or Silica-Related Dust**

- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
- b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

- B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Silica Or Silica-Related Dust**

- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

- C. The following definitions are added to the Definitions Section:**

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

## CYBER LIABILITY COVERAGE PART

### CLAIMS-MADE WARNING

THIS COVERAGE PART INCLUDES COVERAGES WRITTEN ON A CLAIMS-MADE BASIS UNDER INSURING AGREEMENTS A. AND B. SUBJECT TO ITS TERMS, CLAIMS-MADE COVERAGE APPLIES ONLY TO "CLAIMS" FIRST MADE AGAINST THE "INSURED" DURING THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD. PLEASE READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE AND COVERAGE RESTRICTIONS

### "DEFENSE EXPENSES" WITHIN LIMITS AND DEDUCTIBLE

THE LIMITS OF LIABILITY WILL BE REDUCED AND CAN BE COMPLETELY EXHAUSTED BY THE PAYMENT OF COVERED "DEFENSE EXPENSES". IN THE EVENT THAT THE LIMIT OF LIABILITY IS EXHAUSTED, THE "INSURER" SHALL NOT BE LIABLE FOR "DEFENSE EXPENSES", JUDGMENTS OR SETTLEMENTS IN EXCESS OF THE APPLICABLE LIMIT. INSURING AGREEMENTS A. AND B. ARE SUBJECT TO DEDUCTIBLE AMOUNTS STATED IN THE DECLARATIONS. AMOUNTS INCURRED FOR "DEFENSE EXPENSES" ARE SUBJECT TO THE APPLICABLE DEDUCTIBLE

Words and phrases that appear in quotation marks have special meaning. Refer to **SECTION IX – DEFINITIONS**.

### SECTION I – INSURING AGREEMENTS

#### A. Privacy and Security Liability

The "insurer" will pay on behalf of the "insured", "loss" which the "insured" is legally obligated to pay due to a "claim" first made against the "insured" during the "policy period", or Extended Reporting Period if applicable, and which arises out of a "Privacy Breach" or a "Security Breach" to which this insurance applies.

#### B. Cyber Media Liability

The "insurer" will pay on behalf of the "insured", "loss" which the "insured" is legally obligated to pay due to a "claim" first made against the "insured" during the "policy period", or Extended Reporting Period if applicable, and which arises out of a "Cyber Media Breach" to which this insurance applies.

With respect to **Insuring Agreements A. and B.** above, this insurance applies to "Privacy Breach", "Security Breach" or "Cyber Media Breach" only if the "Privacy Breach", "Security Breach" or "Cyber Media Breach" did not occur before the Retroactive Date shown in the Cyber Declarations or after the end of the "policy period". The Retroactive Date is the specific date shown in **Item 4.** of the Cyber Declarations. If 'none' or no date is entered, the Retroactive Date will be the same as the policy inception date shown in **Item 2.** of the Cyber Declarations.

### SECTION II – EXCLUSIONS

This insurance does not apply to any "loss" or "claim":

#### A. Prior Notice

Based upon, arising out of or in any way related to any "Security Breach", "Privacy Breach", "Cyber Media Breach", investigation, proceeding, act, event, transaction, decision, fact, circumstance or situation which has been the subject of any notice

given to any other insurer, under any similar prior Policy or Coverage Part of which this Policy or Coverage Part is a direct or indirect renewal or replacement.

#### B. Past Events

Based upon, arising out of or in any way related to any "Security Breach", "Privacy Breach", "Cyber Media Breach", investigation, proceeding, act, event, result, damage, transaction, decision, fact, circumstance or situation which occurred, in whole or in part, prior:

1. To the applicable Retroactive Date set forth in **Item 4.** of the Cyber Declarations; or
2. To the date an entity became a "subsidiary".

#### C. Bodily Injury or Property Damage

For the physical injury to or destruction of any tangible property, including loss of use of that property and loss of use of property that is not physically damaged; or for bodily injury, mental anguish, humiliation, emotional distress, disability, sickness, disease, death, assault or battery sustained by any individual, however this Exclusion shall not apply to "loss" due to a "claim" for any mental anguish, humiliation or emotional distress resulting from a "Privacy Breach" or "Cyber Media Breach".

#### D. Conduct

Based upon, arising out of or in any way related to any dishonest or fraudulent act or omission, or a willful violation of any statute or regulation. However, this Exclusion shall not apply to "defense expenses" unless and until a final or non-appealable judgment or adjudication in any underlying proceeding or action establishes such an act or omission or violation.

No conduct pertaining to any "insured individual" shall be imputed to any other "insured individual" for the purpose of determining the applicability of this exclusion. Any conduct pertaining to any past, present or future "executive" of an "insured entity" shall be imputed to such "insured entity" and its "subsidiaries".

#### **E. Contract**

Based upon, arising out of or in any way related to liability assumed through any oral or written contract or agreement to which an "insured" is a party; however, this Exclusion shall not apply to a "Security Breach" or "Privacy Breach".

#### **F. Pollution**

Based upon, arising out of or in any way related to:

The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

1. "Loss", cost or expense arising out of any request, demand, order or statutory or regulatory requirement that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants"; or
2. Any regulation, direction, request or order by or on behalf of a governmental authority to test for, monitor, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

#### **G. Nuclear**

Based upon, arising out of or in any way related to the radioactive, toxic, or explosive properties of nuclear material which includes, but is not limited to, Source Material, Special Nuclear Material and Byproduct Material as those terms are defined in the Atomic Energy Act of 1954 and any amendments thereto, and any similar provisions of any federal, state or local statutory or common law.

#### **H. Intentional or Willful Complicity**

Based upon, arising out of or in any way related to the "insured's" intentional or willful complicity in a covered "loss" event.

#### **I. Prior & Pending Proceedings**

Based upon, arising out of or in any way related to any litigation, administrative or arbitration proceeding, written demand pending against an "insured", or any order, decree or judgment entered prior to or on the Prior & Pending Proceedings Date set forth in the Cyber Declarations.

#### **J. Patent Infringement & Trade Secrets**

Based upon, arising out of or in any way related to any infringement of a patent or trade secret.

#### **K. Intellectual Property**

For a "Cyber Media Breach" that is based upon, arising out of or in any way related to any:

- a. Distribution or sale of, or offer to distribute or sell, any good, product or service; or
- b. Other use of any good, product or service that infringes or violates an intellectual property law or right.

#### **L. Websites**

Based upon, arising out of or in any way related to:

- a. Controlling, creating, designing, or developing any third party's Website;
- b. Controlling, creating, designing, developing, determining, or providing the content or material of any third party's Website; or
- c. Controlling, facilitating, or providing, or failing to control, facilitate, or provide, access to the internet.

#### **M. Antitrust**

Based upon, arising out of or in any way related to actual or alleged price fixing, price discrimination, restraint of trade, unfair business practices, monopolistic practices or any actual or alleged violations of the Sherman Antitrust Act of 1890 or the Clayton Act of 1914, and any amendments thereto, the Robinson-Patman Act of 1938, the Federal Trade Commission Act of 1914 or any rules or regulations promulgated in connection with such statutes, or any similar provisions of any federal, state or local statutory law or common law anywhere in the world. However, this Exclusion shall not apply to "loss" for a "claim" arising out of a "Privacy Breach".

#### **N. ERISA**

For any actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the English Pension Scheme Act 1993 or the English Pensions Act 1995, all as amended, or any similar statutory or common law anywhere in the world including rules or regulations promulgated thereunder.

#### **O. "Insured" vs. "Insured"**

Brought by or on behalf of a natural person who is a director, chairperson, or "executive" of any "insured entity" or who holds a similar title or position within any "insured entity".

#### **P. Software & Computer Code**

Based upon, arising out of or in any way related to any infringement of, violation of, or assertion of,



any right to or interest in any software or its source content or material; "computer" code or its source content or material or expression method; or process designed to control or facilitate any operation or other use of a "computer" or automated "system".

#### Q. Warranty

Based upon, arising out of or in any way related to the failure of goods, products, or "services" to conform with any electronic, oral, written, or other representation or warranty with respect to durability, fitness, performance, quality or use.

### SECTION III – DEFENSE AND SETTLEMENT OF "CLAIMS"

- A. The "insurer" shall have the right and duty to defend any "claim" covered by this Coverage Part even if the allegation of such "claim" is groundless, false or fraudulent. The "insurer" has no duty to defend any "claim" or pay "defense expenses" for "claims" to which this insurance does not apply. The right and duty to defend any "claim" covered under this Coverage Part shall cease when the applicable Limit of Liability for the Privacy and Security Liability or the Cyber Media Liability Insuring Agreements, or the Maximum Aggregate Limit of Liability on the Cyber Declarations has been exhausted by the payment of "loss".
- B. The "insured" shall provide all information in connection with any "claim" and cooperate with the "insurer" in the investigation, defense and settlement of any "claim".
- C. No "insured" shall settle any "claim", voluntarily make any payment, assume any obligation, or incur any "defense expense" related to a "claim" without the "insurer's" consent.
- D. The "insurer" may conduct any investigation it deems necessary and settle any "claim" subject to the "named insured's" written consent to settle which shall not be unreasonably withheld. If any "insured" refuses to consent to the settlement of any "claim" which the "insurer" recommends and which is acceptable to the claimant, subject to the applicable Limit of Liability or Deductible, the "insurer's" liability for all "loss" from such "claim" shall not exceed the amount the "insurer" would have contributed to the settlement including "defense expenses" incurred up to the date of such refusal.
- E. The "insurer" shall not seek repayment from an "insured individual" of any "defense expenses" paid by the "insurer" that are deemed uninsured pursuant to **SECTION II – EXCLUSIONS Paragraph D. Conduct**, unless the applicable determination standard set forth in such Exclusion has been met.

- F. If the "insurer" is prevented by law or otherwise unable to defend or investigate a "claim" brought outside the United States, the "insured" under the "insurer's" supervision may arrange for the investigation, appointment of counsel and defense of such "claim". Subject to the applicable Limit of Liability and Deductible, the "insurer" will reimburse the "insured" for any reasonable and necessary "defense expenses" for such "claim".

### SECTION IV – LIMIT OF LIABILITY

Regardless of the number of "insureds", "claims", or claimants the "insurer's" liability under this Coverage Part is limited as follows:

- A. The Maximum Aggregate Limit of Liability shown in **Item 3.** of the Cyber Declarations is the most the "insurer" will pay under this Coverage Part during the "policy period" for the total of all "loss" arising from "claims" or "related claims" to which the insurance applies.
- B. Subject to the Maximum Aggregate Limit, the Limit of Liability shown in **Item 4.** of the Cyber Declarations for **Insuring Agreement A. Privacy and Security Liability** is the most the "insurer" will pay for "loss" due to "claims" or "related claims" arising out of a "Privacy Breach" or a "Security Breach" to which the insurance applies.
- C. Subject to the Maximum Aggregate Limit, the Limit of Liability shown in **Item 4.** of the Cyber Declarations for **Insuring Agreement B. Cyber Media Liability** is the most the "insurer" will pay for "loss" due to "claims" or "related claims" arising out of a "Cyber Media Breach" to which the insurance applies.
- D. If a "claim" or "related claim" is covered by more than one Insuring Agreement under this Policy or Coverage Part, then the maximum amount payable under all Insuring Agreements combined shall not exceed the largest applicable Limit of Liability.
- E. The Limit of Liability for any Extended Reporting Period, if applicable, shall be part of and not in addition to the Maximum Aggregate Limit of Liability shown in **Item 3.** of the Cyber Declarations.

### SECTION V – DEDUCTIBLE

- A. The "insurer's" liability under this Coverage Part applies only to that part of covered "loss" which is in excess of the applicable Deductible stated in **Item 4.** of the Cyber Declarations.
- B. In the event that different parts of a "claim" or "related claim" are covered under more than one Insuring Agreement, only the largest applicable Deductible amount will be applied.
- C. "Claims" or "related claims" are subject to the Deductibles applicable to the "policy period" during



which such "claims" or "related claims" are deemed to have been made.

- D. The "insurer" may, at its sole discretion, pay all or part of the Deductible amount on behalf of the "insured". In such an event, the "insured" agrees to repay the "insurer" any amount so paid.

## SECTION VI – REPORTING

- A. An "insured" shall provide the "insurer" with written notice as soon as practicable after an "executive", chief information officer or any person with responsibility for the management of insurance "claims", or any equivalent position within the "insured entity" becomes aware of a "claim", but in no event later than:

1. Ninety (90) days after the effective date of expiration or termination; or
2. The expiration date of the Extended Reporting Period, if applicable.

However, if the "insurer" sends written notice to the "named insured" stating that this Policy is being terminated for nonpayment of premium, an "insured" shall give the "insurer" written notice of such "claim" prior to the effective date of such termination.

- B. If during the "policy period", or during an applicable Extended Reporting Period, an "insured" becomes aware of an act or circumstances that may subsequently give rise to a "claim" and gives the "insurer" notice of such act or circumstances, then any "claim" subsequently arising from such act or circumstances shall be deemed made against the "insured" during the "policy period" in which the act or circumstances were first reported to the "insurer" provided that any such subsequent "claim" is reported to the "insurer" in accordance with paragraph A. above.
- C. An "insured" must give to the "insurer" the assistance, information and cooperation as the "insurer" may require and shall include in any notice of a "claim", act or circumstances of a potential "claim", a description of the "claim", act or circumstances, the nature of the alleged "Security Breach", "Privacy Breach" or "Cyber Media Breach", the nature and amount of alleged or potential damage, the names of actual or potential claimants, and the manner in which the "insured" first became aware of the "claim", circumstances or alleged "Privacy Breach", "Security Breach" or "Cyber Media Breach".

## SECTION VII – CONDITIONS

### A. Representations and Severability

1. No statement, fact pertaining to, or knowledge possessed by any "insured individual" shall be imputed to any other "insured individual".

2. By accepting this policy, the "named insured" agrees that:

- a. The statements in the Application and Cyber Declarations are accurate and complete;
- b. Those statements are based on representations the "named insured" made to the "insurer"; and
- c. The "insurer" has issued this policy in reliance upon these representations.

The unintentional failure to disclose all hazards existing as of the inception date of the policy will not prejudice the "named insured's" rights under this policy. However, this provision does not affect the "insurer's" right to collect additional premium or exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws and regulations.

### B. Spouses, Domestic Partners, Estates and Legal Representatives

Solely with respect to the **Insuring Agreements A. Privacy and Security Liability** and **B. Cyber Media Liability**, coverage shall extend to:

1. A lawful spouse or domestic partner, as defined under any applicable federal, state or local law, of an "insured individual" solely by reason of such person's status as spouse or domestic partner or such person's ownership interest in property which the claimant seeks as recovery from an "insured individual";
2. The estate, heirs, legal representatives or assigns of an "insured individual" if such "insured individual" is deceased, legally incompetent, insolvent or bankrupt.

Coverage shall not apply to "loss" or "claims" for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by an "insured individual's" spouse, domestic partner, heir, estate, legal representative or assigns.

### C. Legal Proceedings Against Us

1. No individual or entity has a right under this Coverage Part to join the "insurer" as a party or otherwise bring the "insurer" into a suit asking for damages from an "insured" or to sue the "insurer" on this Coverage Part unless all of its terms have been fully complied with.
2. An individual or entity may sue the "insurer" to recover on an agreed settlement or on a final judgment against an "insured" but the "insurer" will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable Limit of Liability. An agreed

settlement means a settlement and release of liability signed by the "insurer", the "insured" and the claimant or the claimant's legal representative.

#### **D. Change In Control or Exposure**

##### **1. Acquisition of the "Named Insured"**

If during the "policy period":

- a. Another individual, entity or group of individuals or entities acquires more than fifty percent (50%) of the assets of the "named insured"; or
- b. Another individual, entity or group of individuals or entities acquires more than fifty percent (50%) of the outstanding securities representing the right to vote for the election of directors, trustees, members of the Board of Managers or management committee members of the "named insured"; or
- c. The "named insured" consolidates or merges with another entity and the "named insured" is not the surviving entity; or
- d. The "named insured" emerges from bankruptcy on an effective date stated in the plan of reorganization; then the coverage provided under this Coverage Part shall continue until the termination or expiration of the "policy period", but only for "claims" for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty which occurs prior to the transaction date of such event.

The "named insured" shall notify the "insurer" of any such event described in paragraphs 1.a. thru 1.d. above as soon as practicable but no later than sixty (60) days after the effective date of the transaction, and provide such additional information as the "insurer" requires.

##### **2. Cessation of "Subsidiaries"**

If before or during the "policy period" an "insured entity" ceases to be a "subsidiary" then coverage for such "subsidiary" and its "insureds" shall continue under all Insuring Agreements until termination or expiration of this "policy period" but only for "claims" for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty that takes place prior to the date such entity ceased to be a "subsidiary".

##### **3. Acquisition of Another Organization**

If before or during the "policy period" the "insured entity" acquires the voting rights of another entity such that the acquired entity

becomes a "subsidiary", then coverage for such "subsidiary" and its "insureds" shall be provided but only for "claims" for any "Privacy Breach", "Security Breach" or "Cyber Media Breach" that takes place after the date such entity became a "subsidiary".

If during the "policy period" the "insured entity" acquires another entity and at the time of such acquisition the entity becomes a "subsidiary" (or would have but for its absorption into the "insured") and the total revenue of the acquired entity exceeded twenty five percent (25%) of the "insured entity" as of the beginning of the "policy period", then the "named insured" shall agree to any amendments to the terms of this Coverage Part, including, but not limited to, any additional premium the "insurer" may require.

#### **E. Subrogation**

If the "insured" has rights to recover all or part of any payment the "insurer" has made under this Coverage Part, those rights are transferred to the "insurer". The "insured" must do nothing after "loss" to impair them. At the request of the "insurer", the "insured" will bring suit or transfer those rights to the "insurer" and help the "insurer" enforce them.

#### **F. Other Insurance**

If other valid and collectible insurance (other than a Policy or Coverage Part issued specifically as excess of this Coverage Part) is available to the "insured" for "loss" covered under this Coverage Part, then the insurance provided by this Coverage Part shall be excess of such other insurance regardless of whether or not such insurance is primary, contributory, excess, contingent or on any other basis.

When this insurance is excess, the "insurer" will have no duty to investigate or defend any "claim" if any other insurer has a duty to defend the "insured" against that "claim". If no other insurer defends, the "insurer" will undertake to do so, but the "insurer" will be entitled to the "insured's" rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the "loss", if any, that exceeds the sum of:

1. The total amount that all such other insurance would pay for the "loss" in the absence of this insurance; and
2. The total of all deductible and self-insured amounts under all that other insurance.

**G. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the "loss" remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**H. Territory**

Coverage applies anywhere in the world, provided that no trade or economic sanction, embargo, insurance or other laws or regulations prohibit the "insurer" from covering the "loss". However, any "claim" made must be brought and held against the "insured" in the United States of America, its territories or possessions, Puerto Rico or Canada.

**I. Cancellation And Non-Renewal**

With regard to the cancellation and non-renewal of this policy, the provisions outlined in the Commercial General Liability Coverage Part and the Common Policy Conditions or the Businessowners Coverage Part, whichever are included in the policy, shall apply and will automatically include the non-renewal or cancellation of this coverage form. You agree that no further notice regarding termination of this Coverage Form will be required.

For the purposes of the Cancellation and Nonrenewal provisions, the words "you" and "your" refer to the "Named Insured" shown in the Declarations, and any other person or organization qualifying as a "Named Insured" under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

**J. Bankruptcy**

Bankruptcy of an "insured" shall not relieve the "insurer" of its obligations under this Coverage Part.

**K. Role of Named "Insured"**

By accepting this Coverage Part, the "named insured" agrees that it is authorized to, and will act on behalf of all "insureds" with respect to any rights provided under this Coverage Part and each "insured" authorizes the "named insured" to act on its behalf with respect to all such matters.

**L. Titles and Headings**

The titles and headings in this Coverage Part are solely for convenience and form no part of the terms and conditions of coverage.

**M. Conformance to Law and Trade Sanctions**

Coverage under this Coverage Part does not apply to the extent trade, economic sanction, insurance or other laws or regulations prohibit the "insurer" from providing insurance. The terms of this Coverage Part which are in conflict with the statutes of the jurisdiction in which this Coverage Part is issued are amended to conform to those statutes.

**N. Two or More Coverage Parts, Forms, Endorsements or Policies Issued By The "Insurer"**

It is the "insurer's" stated intent that the various coverage parts, forms, endorsements or policies issued to the "named insured" by the "insurer" or any company affiliated with the "insurer"; do not provide any duplication or overlap of coverage for the same "claim" or "loss". If this coverage part and any other coverage part, form, endorsement or policy issued to the "named insured" by the "insurer", or any company affiliated with the "insurer", apply to the same "claim" or "loss"; the maximum Limit of Liability under all such coverage parts, forms, endorsements or policies combined shall not exceed the highest applicable Limit of Liability under any one coverage part, form, endorsement or policy.

This condition does not apply to any Excess or Umbrella Policy issued by the "insurer" specifically to apply as excess insurance over this policy or Coverage Part.

**O. Due Diligence**

The "named insured" agrees to use due diligence to prevent and mitigate "loss" covered under this Coverage Part. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for providing and maintaining the following:

1. Physical security for the "named insured's" premises, "computer" "systems" and hard copy files;
2. "Computer" and Internet security;
3. Periodic backups of "computer" "data";
4. Protection, including but not limited to, encryption of "data", for transactions such as processing credit card, debit card and check payments; and
5. Disposal of files containing "private personal data", including but not limited to shredding hard copy files and destroying physical "media" used to store electronic "data".

## SECTION VIII – EXTENDED REPORTING PERIODS

A. The “insurer” will provide one or more Extended Reporting Periods, as described below, if:

1. This Coverage Part is canceled or not renewed; or
2. The “insurer” renews or replaces this Coverage Part with insurance that:
  - a. Has a Retroactive Date later than the date shown in **Item 4.** of the Cyber Declarations; or
  - b. Does not apply to “loss” arising out of a “Privacy Breach”, “Security Breach” or “Cyber Media Breach” on a claims-made basis.

The “named insured” agrees that in the event of a “claim” made during an Extended Reporting Period, they will do nothing that could prejudice the position of the “insurer” or any potential or actual rights of recovery, subrogation, or contribution.

B. Extended Reporting Periods do not extend the “policy period” or change the scope of the coverage provided. They apply only to “claims” because of “loss” arising out of a “Privacy Breach”, “Security Breach” or “Cyber Media Breach” occurring prior to the end of the “policy period” but not before the retroactive date.

Once in effect, Extended Reporting Periods may not be canceled.

C. If the “insurer” cancels or does not renew this Coverage Part for any reason other than nonpayment of premium, an Automatic Extended Reporting Period will be provided without an additional premium. This period starts with the end of the “policy period” and lasts for 60 days with respect to “claims” because of “loss” arising out of a “Privacy Breach”, “Security Breach” or “Cyber Media Breach” occurring prior to the end of the “policy period” but not before the retroactive date, and not previously reported to the “insurer”.

1. This Automatic Extended Reporting Period does not apply to “claims” that are covered under any subsequent insurance the “named insured” purchases, or that would be covered but for exhaustion of the amount of insurance applicable to such “claims”.
2. The Automatic Extended Reporting Period does not reinstate or increase the Limits of Insurance.

D. If this Coverage Part is cancelled or not renewed, the “named insured” shall have the right, upon payment of an additional premium, to an Optional Extended Reporting Period. This period starts with the end of the “policy period” with respect to “claims” because of “loss” arising out of a “Privacy

Breach”, “Security Breach” or “Cyber Media Breach” occurring prior to the end of the “policy period” but not before the retroactive date, and not previously reported to the “insurer”.

1. This Optional Extended Reporting Period does not apply to “claims” that are covered under any subsequent insurance the “named insured” purchases, or that would be covered but for exhaustion of the amount of insurance applicable to such “claims”.
2. The Optional Extended Reporting Period does not reinstate or increase the Limits of Insurance.
3. The “named insured” must give the “insurer” a written request for the Optional Extended Reporting Period endorsement within 60 days following the date of cancellation or nonrenewal. The Optional Extended Reporting Period will not go into effect unless the “named insured” pays the additional premium promptly when due. If the cancellation or nonrenewal is for nonpayment of premium, this Optional Extended Reporting Period will not be provided unless any earned premium due is paid within 60 days after the effective date of such cancellation or expiration.
4. The available Optional Extended Reporting Periods and associated additional premiums are displayed in the table below.

Optional Reporting Period	Percent of Annual Premium
One Year	100%
Two Years	150%
Three Years	200%

E. In the event similar insurance is in force covering “claims” first made during Extended Reporting Period, coverage provided by this Coverage Part shall be excess over any part of any other valid and collectible insurance available to the “insured”, whether primary, excess, contingent or on any other basis, whose “policy period” begins or continues after this “policy period” ends.

## SECTION IX – DEFINITIONS

A. “**Breach Notice Law**” means any federal, state, local or foreign privacy legislation, regulation and their functional equivalent that requires an entity to provide notice to affected natural persons of any actual or potential unauthorized access to their “private personal data”.

B. “**Claim**” means:

1. A written demand received by an “insured” for monetary damages or non-monetary relief including injunctive relief;



2. Any complaint or similar pleading initiating a judicial, civil, or administrative proceeding;
  3. An alternative dispute or arbitration proceeding to which an "insured" is provided notice and which subjects an "insured" to a binding adjudication for monetary or non-monetary relief; against an "insured" for a "Security Breach", "Privacy Breach" or "Cyber Media Breach", including any appeal therefrom.
  4. A written request first received by an "insured" to toll or waive a statute of limitations relating to a potential "claim" described in paragraphs 1. through 3. above.
- C. "Computer"** means a device or group of hardware devices on which software, applications, script, code and "computer" programs containing "data" can be operated and viewed.
- D. "Cyber Attack"** means the transmission of fraudulent or unauthorized "data" that is intended to and successfully modifies, alters, damages, destroys, deletes, records, transmits, or consumes information within a "system" without authorization, including "data" that is self-replicating or self-propagating, and which causes the disruption of the normal operation of a "system".
- E. "Cyber Content"** means the electronic display, electronic transmission, or electronic dissemination of information through a "network" or through an insured's "system", including through email and an "insured entity's" internet website(s).
- F. "Cyber Media Breach"** means the alleged or actual unintentional and unauthorized:
1. Infringement of a collective mark, service mark, service name, trademark, trade dress, domain name, commercial logo, commercial slogan, commercial symbol, commercial title, copyright, name of a product, service or entity, or title of an artistic or literary work;
  2. Plagiarism or unauthorized use of protected literary or artistic work, format, character or performance;
  3. Invasion or interference with the right of publicity including name, persona, voice or likeness;
  4. Defamation, libel, slander, trade libel, false light or other tort directly arising from the disparagement of or harm to the reputation or character of any person or entity;
- resulting directly from "cyber content" of the "insured entity".
- G. "Data"** means a representation of information, knowledge, facts, concepts or instructions which are being processed or have been processed in a "computer".
- H. "Defense Expenses"** means the reasonable and necessary legal fees and expenses including attorney fees and expert fees incurred by the "insurer" or the "insured" (other than regular or overtime wages, salaries, fees or benefits of "insured individuals") in the investigation, defense, settlement and appeal of a "claim", including but not limited to cost of consultants and witnesses, premiums for appeal, injunction, attachment or supersedes bonds regarding such "claim".
- I. "Executive"** means an "insured entity's" Chief Executive Officer, Chief Financial Officer, President and In-House General Counsel.
- J. "Insured"** means the "named insured", any "subsidiary" and any "insured individual".
- K. "Insured Individual"** means any natural person who is:
1. A duly elected past, present or future director, officer, trustee, manager, in-house general counsel, committee member of a duly constituted committee; or
  2. A past, present or future employee (other than an independent contractor) including any part-time, seasonal, leased and temporary employees, and volunteers;
- including equivalent positions anywhere in the world, but only while such person is acting within the scope of his or her duties as such.
- L. "Insured Entity"** means the "named insured" and any "subsidiary".
- M. "Insurer"** means the company providing this insurance as designated in the Cyber Declarations.
- N. "Liquidated Damages"** means a sum of money stipulated by the parties to a contract as the amount of damages to be recovered for a breach of such contract.
- O. "Loss"** means "defense expenses" and the amount the "insured" is legally obligated to pay as a result of a "claim" including:
1. Monetary judgments, awards or settlements, pre-judgment interest and post-judgment interest and compensatory damages;
  2. Punitive or exemplary damages or the multiple portion of any multiplied damage award if insurable under the law of the jurisdiction most favorable to the insurability of such damages where such jurisdiction has a substantial relationship to the "insured", the "insurer", or to the "claim" giving rise to such damages; or
  3. Civil fines or penalties assessed against an "insured individual" if, and to the extent, such

finer or penalties are insurable under the law of the jurisdiction in which such fines and penalties are assessed.

However, "loss" does not include:

4. The cost or expense incurred to replace, upgrade, update, improve, remediate or maintain a "system";
5. Any amount deemed uninsurable by law;
6. Taxes;
7. Any amount incurred by an "insured" in the defense or investigation of any action, proceeding or demand that was not a "claim" even if such amount also benefits the defense of a covered "claim" or such action, proceeding or demand that subsequently gives rise to a "claim";
8. Return of fees, charges, commissions or other compensation paid to an "insured";
9. The cost or expense incurred to perform any obligation assumed by, on behalf of, or with the consent of any "insured";
10. The cost of compliance with any order for, grant of or agreement to provide non-monetary relief, including injunctive relief; or
11. "Liquidated Damages".

**P. "Media"** means electronic applications, software, scripts and programs on which "data" is stored so that it can be collected, read, retrieved or processed by a "computer". "Media" does not mean paper, or other tangible property, money, debt, equity, instruments, accounts, bonds, bills, records, abstracts, deeds or manuscripts.

**Q. "Named Insured"** means the entity designated in **Item 1.** of the Cyber Declarations.

**R. "Network"** means any "services" provided by or through the facilities of any electronic or "computer" communication "system", allowing the input, output, examination, visualization or transfer of "data" or programs from one "computer" to an "insured entity's" "computer". "Network" includes any shared "networks", Internet access facilities, or other similar facilities for such "systems", in which an "insured" participates

**S. "Pollutant"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**T. "Policy Period"** means the period of time from the inception date shown in **Item 2.** of the Cyber Declarations to the earlier of the expiration date shown in **Item 2.** of the Cyber Declarations or the effective date of termination of this Policy or Coverage Part.

**U. "Potentially-Identified Person"** means any person who is the "named insured's" current, former or prospective customer, employee, client, member, or patient and whose "private personal data" is lost, stolen, accidentally released or accidentally published by a "privacy breach", "security breach", "cyber media breach" covered under this Coverage Part.

This definition is subject to the following provisions:

1. "Potentially-identified person" does not include any business or organization. Only an individual person may be a "potentially-identified person".
2. A "potentially-identified person" must have a direct relationship with the "named insured". The following are examples of individuals who do not meet this requirement:
  - a. If the "named insured" aggregates or sells information about individuals as part of the "named insured's" business, "potentially-identified persons" do not include the individuals about whom the "named insured" keeps such information.
  - b. If the "named insured" stores, processes, transmits or transports records, "potentially-identified persons" do not include the individuals whose "private personal data" the "named insured" is storing, processing, transmitting or transporting for another entity.

The above examples are not meant to be all inclusive but are provided as a way to identify those not meeting the requirements of this definition.

**V. "Privacy Breach"** means:

1. The "insured entity's" failure to protect "private personal data" including a "Cyber Attack" on the "insured's entity's" "system" or the actions of a "rogue employee" which directly results in the unauthorized disclosure of "private personal data";
2. The theft or negligent loss of hardware, "media", "system output", "data" or other documents owned or controlled by, or on behalf of, an "insured entity" on which "private personal data" is stored or recorded;
3. The "insured's" negligent failure to disclose an event referenced in **1.** or **2.** above in violation of any "breach notice law"; or
4. The "insured's" negligent violation of any applicable federal, state, foreign or local privacy legislation or regulation in connection with any "claim".



**W. “Private Personal Data”** means a natural person’s first name or first initial and last name in combination with:

- a. Non-public personally identifiable information, as defined in applicable federal, state, local or foreign legislation or regulations including, social security number, driver’s license number or other personal identification number (including an employee identification number or student identification number);
- b. Financial account number (including a bank account number, retirement account number or healthcare spending account number);
- c. Credit, debit or payment card numbers;
- d. Information related to employment by an “insured”;
- e. Individually identifiable information considered nonpublic personal information pursuant to Title V of the Gramm-Leach Bliley Act of 1999, as amended; or
- f. Individually identifiable information considered protected health information pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended;

which is intended to be accessible only by natural persons or entities an “insured” has specifically authorized to have such access.

“Private personal data” does not mean or include information that is otherwise available to the public, such as names and addresses with no correlated Social Security numbers or account numbers.

**X. “Related Claims”** means all “claims” based upon, arising from or in any way related to the same facts, circumstances, situations, transactions, results, damages or events or the same series of facts, circumstances, situations, transactions, results, damage or events.

**Y. “Rogue Employee”** means a permanent employee of an “insured entity”, other than an “executive”, who has gained unauthorized access or has exceeded authorized access to a “system” or “private personal data” owned or controlled by an “insured entity” or an entity that is authorized by an “insured” to hold, process or store “private personal data” for the exclusive benefit of the “insured entity”.

**Z. “Security Breach”** means:

1. The failure or violation of the security of the “insured entity’s” “system” including the impairment or denial of access to the “insured

entity’s” “system”, a “Cyber Attack” or unauthorized acts or omissions by a “rogue employee” which damages or harms the “insured entity’s” “system” or the “system” of a third party for whom the “insured entity” provides “services” for a fee;

2. The theft or loss of hardware or “media” controlled by, or on behalf of, an “insured entity” on which “data” is stored; or
3. The failure to disclose an event in 1. or 2. above which violates any “breach notice law”.

**AA. “Services”** means “computer” time, “data” processing, storage functions or other uses of an “insured’s” “system”.

**BB. “Subsidiary”** means:

1. Any entity in which an “insured entity” owns more than fifty percent (50%) of the outstanding securities representing the right to vote for election of or to appoint directors, trustees, managers, member of the Board of Managers or equivalent positions of such entity are owned or controlled by the “named insured”, directly or through one or more “subsidiaries”; or
2. Any entity while:
  - a. Exactly fifty percent (50%) of the securities representing the right to vote for election of or to appoint directors, trustees, managers, members of the Board of Managers, or equivalent positions of such entity are owned, or controlled by the “named insured”, directly or through one or more “subsidiaries”; and
  - b. The “named insured”, pursuant to a written contract with the owners of the remaining and outstanding voting stock of such entity, solely controls the management and operation of such entity; or
3. Any foundation or charitable trust while such entity is controlled by the “named insured”.

Coverage shall apply to a “subsidiary” only during the time it qualifies as a “subsidiary”.

**CC. “System”** means a “computer”, “media” and all input, output, processing storage and communication devices controlled, supervised or accessed by the operation software that is proprietary to, or licensed to, the owner of the “computer”.

**DD. “System Output”** means a tangible substance on which “private personal data” is printed from a “System”.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ILLINOIS AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

### CYBER LIABILITY COVERAGE PART

**A. SECTION VII – CONDITIONS**, Paragraph **I.** is replaced by the following:

#### **I. Cancellation And Non-Renewal**

1. If we decide to cancel this Coverage Part in the first 60 days, we will mail:

- a. 10 days' written notice of cancellation for nonpayment of premium; or
- b. 30 days' written notice of cancellation for any other reason.

If this Coverage Part has been in effect for 60 days or more or is a renewal of a Coverage Part we issued, then we will mail:

- c. 10 days' written notice of cancellation for nonpayment of premium; or
- d. 60 days' written notice of cancellation for one or more of the following reasons:

- (1) The Coverage Part was obtained through a material representation;
- (2) Any insured violated any of the terms and conditions of the policy;
- (3) The risk originally accepted has measurably increased;
- (4) Certification is provided to the Director of Insurance in Illinois of the loss of reinsurance by us which provided coverage to us for a substantial part of the underlying risk insured; or
- (5) A determination is made by the Director of Insurance in Illinois that the continuation of the policy could place us in violation of the insurance laws of Illinois.

Cancellation notices will state the reason for cancellation and will be mailed to the "named insured" and the agent or broker of record at the last addresses known to us. We will maintain proof of mailing on a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office or other commercial mail delivery service.

- 2. If we decide not to renew this Coverage Part, we will mail or deliver written notice not less than 60 days before the expiration date to the "named insured" shown in the Declarations and to the agent or broker of record at the last addresses known to us. Notice will provide an explanation of the reason for nonrenewal. We will maintain proof of mailing on a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office or other commercial mail delivery service.

For the purposes of the Cancellation and Nonrenewal provisions, the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this Coverage Part. The words "we", "us" and "our" refer to the company providing this insurance.

- B.** The following is added to **SECTION VIII – EXTENDED REPORTING PERIODS**, Paragraph **D.4.**:

The percentage in the table will be applied to the expiring annual premium.

- C.** Wherever the term spouse appears in this Coverage Part or in any endorsement thereto, it shall include a party to a civil union.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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Page 1 of 3

This endorsement changes  
the policy  
-- PLEASE READ THIS CAREFULLY --

## AMENDATORY ENDORSEMENT ILLINOIS

1. The following applies only to property policies issued to cover one-to-four family residential real or personal property:

Under Common Policy Conditions, Cancellation is deleted and replaced by the following:

**Cancellation** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel this policy by mailing "our" written notice of cancellation to "you" and any mortgagee or lienholder at the last mailing address known to "us". "Our" notice will include the reason or reasons for cancellation. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record. Proof of mailing is sufficient proof of notice.

If this policy has been in effect for 60 days or less, "we" may cancel for any reason.

If this policy has been in effect more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel if one or more of the following reasons apply:

- a. the premium has not been paid when due;
- b. the policy was obtained by misrepresentation or fraud; or
- c. there has been an act that measurably increases the risk originally accepted.

If "we" cancel for nonpayment of premium, "we" will mail the cancellation notice at least ten days before the effective date of cancellation.

If "we" cancel for any reason other than nonpayment of premium, "we" will mail the cancellation notice at least 30 days before the effective date of cancellation.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

2. The following applies only to property policies issued to cover real property other than one-to-four family residential property:

Under Common Policy Conditions, Cancellation is deleted and replaced by the following:

### Cancellation

- a. "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.
- b. "We" may cancel this policy by mailing "our" written notice of cancellation to "you" and any mortgagee or lienholder at the last mailing address known to "us". "Our" notice will include the reason or reasons for cancellation. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record. Proof of mailing is sufficient proof of notice.
- c. "We" may cancel this policy at any time during the policy period if the premium has not been paid. "We" will mail the cancellation notice at least ten days before the effective date of cancellation.

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- d. "We" may cancel this policy at any time during the policy period, if the insured property consists of one or more buildings:
- 1) to which, following a fire loss, permanent repairs have not commenced within 60 days after satisfactory adjustment of loss, unless such delay is a direct result of a labor dispute or weather conditions;
  - 2) that have been unoccupied for 60 consecutive days, except buildings which have a seasonal occupancy and buildings which are undergoing construction, repair, or reconstruction and are properly secured against unauthorized entry;
  - 3) for which, because of their physical condition, there is an outstanding demolition order, or which have been declared unsafe in accordance with applicable law; or
  - 4) to which heat, water, sewer service, or public lighting have not been connected for 30 consecutive days or more.

If "we" cancel this policy for reasons listed under d.1) through d.4) above, cancellation will be effective ten days after "you" and any mortgagee or lienholder have received "our" notice. The notice of cancellation will be sent by regular mail and certified mail, and "your" return premium, if any, will be calculated on a pro rata basis.

- e. If this policy has been in effect for 60 days or less, "we" may cancel for any reason. "We" will mail the cancellation notice at least 30 days before the effective date of cancellation for cancellation other than described in c. or d. above.
- f. If this policy has been in effect more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel if one or more of the following reasons apply:

- 1) the policy was obtained through a material misrepresentation;
- 2) any "insured" has violated any of the "terms" and conditions of the policy;
- 3) the risk originally accepted has measurably increased;
- 4) certification of the Director of the loss of reinsurance which provided coverage to "us" for all or a substantial part of the underlying risk insured; or
- 5) a determination by the Director that the continuation of the policy could place "us" in violation of the insurance laws of this state.

If "we" cancel for any of these reasons, "we" will mail the cancellation notice at least 60 days before the effective date of cancellation.

- g. "Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

3. If 1. or 2. above do not apply, under Common Policy Conditions, Cancellation is deleted and replaced by the following:

**Cancellation** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel this policy by mailing "our" written notice of cancellation to "you" and any mortgagee or lienholder at the last mailing address known to "us". "Our" notice will include the reason or reasons for cancellation. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record. Proof of mailing is sufficient proof of notice.

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If this policy has been in effect for 60 days or less, "we" may cancel for any reason. If "we" cancel for any reason other than nonpayment of premium, "we" will mail the cancellation notice at least 30 days before the effective date of cancellation.

If this policy has been in effect more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel if one or more of the following reasons apply:

- a. the premium has not been paid when due;
- b. the policy was obtained through a material misrepresentation;
- c. any "insured" has violated any of the "terms" and conditions of the policy;
- d. the risk originally accepted has measurably increased;
- e. certification of the Director of the loss of reinsurance which provided coverage to "us" for all or a substantial part of the underlying risk insured; or
- f. a determination by the Director that the continuation of the policy could place "us" in violation of the insurance laws of this state.

If "we" cancel for nonpayment of premium, "we" will mail the cancellation notice at least ten days before the effective date of cancellation.

If "we" cancel this policy for any reason other than nonpayment of premium when it has been in effect for more than 60 days, "we" will mail the cancellation notice at least 60 days before the effective date of cancellation.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

4. Under Common Policy Conditions, the following condition is added:

**Nonrenewal --**

If "we" decide not to renew this policy, "we" will mail "our" notice of nonrenewal to "you" at least 60 days before the end of the policy period. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record and any mortgagee or lienholder at the last mailing address known to "us". Proof of mailing is sufficient proof of notice. "Our" notice will include the reasons for nonrenewal.

5. Under Common Policy Conditions, the following condition is added:

**Renewal --** If "we" decide to renew this policy with premium increases of 30% or higher, or impose changes in deductible or coverage that materially alter the policy, "we" will mail to "you" written notice of such increase or change in deductible or coverage at least 60 days before the renewal or anniversary date. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record. Proof of mailing is sufficient proof of notice. The 60-day prior notification because of premium increase is not necessary where increases exceeding 30% are due to changed conditions or increased or broadened coverage initiated by "you".

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**CL 0120 10 08**

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Page 1 of 1

This endorsement changes  
the policy  
-- PLEASE READ THIS CAREFULLY --

## CERTIFIED TERRORISM LOSS

1. The following definitions are added.
  - a. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States:
    - 1) to be an act of terrorism;
    - 2) to be a violent act or an act that is dangerous to human life, property, or infrastructure;
    - 3) to have resulted in damage:
      - a) within the United States; or
      - b) to an air carrier (as defined in section 40102 of title 49, United States Code); to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or at the premises of any United States mission;
    - 4) to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion; and
    - 5) to have resulted in insured losses in excess of five million dollars in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended.
  - b. "Certified terrorism loss" means loss that results from a "certified act of terrorism".
2. The "terms" of any terrorism exclusion that is part of or that is attached to this Coverage Part are amended by the following provision:
 

This exclusion does not apply to "certified terrorism loss".
3. The following provision is added.
 

If the Secretary of the Treasury determines that the aggregate amount of "certified terrorism loss" has exceeded one hundred billion dollars in a calendar year (January 1 through December 31), and "we" have met "our" insurer deductible under the Terrorism Risk Insurance Act, as amended, "we" will not pay for any portion of "certified terrorism loss" that exceeds one hundred billion dollars. If the "certified terrorism loss" exceeds one hundred billion dollars in a calendar year (January 1 through December 31), losses up to one hundred billion dollars are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury under the Terrorism Risk Insurance Act, as amended.
4. The following provisions are added.
  - a. Neither the "terms" of this endorsement nor the "terms" of any other terrorism endorsement attached to this Coverage Part provide coverage for any loss that would otherwise be excluded by this Coverage Part under:
    - 1) exclusions that address war, military action, or nuclear hazard; or
    - 2) any other exclusion; and
  - b. the absence of any other terrorism endorsement does not imply coverage for any loss that would otherwise be excluded by this Coverage Part under:
    - 1) exclusions that address war, military action, or nuclear hazard; or
    - 2) any other exclusion.

CL 0600 01 15



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This endorsement changes  
the policy  
-- PLEASE READ THIS CAREFULLY --

## VIRUS OR BACTERIA EXCLUSION

### DEFINITIONS

#### Definitions Amended --

When "fungus" is a defined "term", the definition of "fungus" is amended to delete reference to a bacterium.

When "fungus or related perils" is a defined "term", the definition of "fungus or related perils" is amended to delete reference to a bacterium.

### PERILS EXCLUDED

The additional exclusion set forth below applies to all coverages, coverage extensions, supplemental coverages, optional coverages, and endorsements that are provided by the policy to which this endorsement is attached, including, but not limited to, those that provide coverage for property, earnings, extra expense, or interruption by civil authority.

1. The following exclusion is added under Perils Excluded, item 1.:

#### Virus or Bacteria --

"We" do not pay for loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

This exclusion applies to, but is not limited to, any loss, cost, or expense as a result of:

- a. any contamination by any virus, bacterium, or other microorganism; or
- b. any denial of access to property because of any virus, bacterium, or other microorganism.

2. **Superseded Exclusions** -- The Virus or Bacteria exclusion set forth by this endorsement supersedes the "terms" of any other exclusions referring to "pollutants" or to contamination with respect to any loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

### OTHER CONDITIONS

#### Other Terms Remain in Effect --

The "terms" of this endorsement, whether or not applicable to any loss, cost, or expense, cannot be construed to provide coverage for a loss, cost, or expense that would otherwise be excluded under the policy to which this endorsement is attached.

CL 0700 10 06

COMMERCIAL INLAND MARINE  
CM 01 50 03 10

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES – ARTIFICIALLY GENERATED CURRENT EXCLUSION**

This endorsement modifies insurance provided under the following:

CAMERA AND MUSICAL INSTRUMENT DEALERS COVERAGE FORM  
EQUIPMENT DEALERS COVERAGE FORM  
FLOOR PLAN COVERAGE FORM  
PHYSICIANS AND SURGEONS EQUIPMENT COVERAGE FORM  
SIGNS COVERAGE FORM  
THEATRICAL PROPERTY COVERAGE FORM

**A. The exclusion set forth in:**

- Paragraph **B.2.h.** of the Camera And Musical Instrument Dealers Coverage Form and the Theatrical Property Coverage Form;
- Paragraph **B.2.f.** of the Equipment Dealers Coverage Form;
- Paragraph **B.2.e.** of the Physicians And Surgeons Equipment Coverage Form; and
- Paragraph **B.2.d.** of the Floor Plan Coverage Form;

is replaced by the following:

Artificially generated current creating a short circuit or other electric disturbance within an article covered under this coverage form.

But if artificially generated current, as described above, results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this coverage form.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

**B. In the Signs Coverage Form, Exclusion **B.2.d.** is replaced by the following:**

- d.** Artificially generated current creating a short circuit or other electric disturbance within an article covered under this coverage form.

But if artificially generated current, as described above, results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this coverage form.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

IM 202 07 05

This endorsement changes the  
Contractors' Equipment Coverage  
-- PLEASE READ THIS CAREFULLY --

Page 1 of 1

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## DEDUCTIBLE WAIVER FOR LOJACK BRAND PROTECTION SYSTEM

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### HOW MUCH WE PAY

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The following is added under How Much We Pay:

In the event of a theft "loss" we agree to waive your deductible amount up to \$25,000 if any piece of stolen equipment is protected by an operational LoJack Stolen Vehicle Police Recovery System.

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### WHAT MUST BE DONE IN CASE OF LOSS

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The following two provisions are added to What Must Be Done In Case Of Loss:

You must work with the police (having jurisdiction in the area which the theft occurred) to ensure that the piece of equipment is entered as a vehicle into their computer system.

You must call LoJack toll free at (877) 775-6522 and provide the Corporate Construction Administrator with the same information you provided the local law enforcement agency (including the police report case number).

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IM202 07 05

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This endorsement changes  
the policy  
-- PLEASE READ THIS CAREFULLY --

## AMENDATORY ENDORSEMENT ILLINOIS

1. Under Definitions, item b. of Pollutants is deleted.
2. Under Coverage Extensions, Defense Costs, if applicable, is amended as follows:
  - a. Paragraph a. Coverage is deleted and replaced by the following:
    - a. **Coverage** -- "We" have the right and duty to defend any "suit" brought against "you" as a result of damage to covered property caused by a covered loss. "We" may investigate and settle a claim or "suit".
  - b. Under paragraph d., item 4) is deleted and replaced by the following:
    - 4) expenses that "you" incur for expert testimony or court-ordered arbitration or mediation;
  - c. The following paragraph is added:
 

The expenses "we" incur under Defense Costs will not reduce the applicable "limit" for coverage described under Property Covered.
3. Under Perils Excluded, Criminal, Fraudulent, Dishonest, Or Illegal Acts is amended to include the following:
 

However, if the loss is caused by an act arising out of a pattern of criminal domestic violence and the perpetrator of the loss is criminally prosecuted for the act causing the loss, this exclusion does not apply to an otherwise covered loss suffered by another insured who did not cooperate in or contribute to the act that caused the loss.

Subject to the "terms" under How Much We Pay and all other "terms" of this policy, "our" payment to an insured who did not cooperate in or contribute to the act that caused the loss may be limited to the claimant's
4. Under Other Conditions, Misrepresentation, Concealment, Or Fraud is deleted and replaced by the following:
 

**Misrepresentation, Concealment, Or Fraud** -- "We" do not provide coverage for an insured who has:

  - a. willfully concealed or misrepresented:
    - 1) a material fact or circumstance with respect to this insurance; or
    - 2) an insured's interest herein; or
  - b. engaged in fraudulent conduct or sworn falsely with respect to this insurance or the subject thereof.
5. Under Other Conditions, Subrogation is amended to include the following:
 

An innocent insured who is the subject of criminal domestic violence by another insured cannot waive his or her right to recover. "We" retain all rights set forth by this Subrogation condition with regard to "our" right to recover, up to the amount "we" pay, for loss caused by an act of criminal domestic violence.
6. In all coverage forms except Cold Storage Locker Coverage, Contingent Cargo Coverage, Motor Truck Cargo Legal Liability Coverage, Riggers' Legal Liability Coverage, and Warehouse Legal Liability Coverage, under Other Conditions, Suit Against Us is amended to include the following:
 

However, this period is extended by the number of days between the date proof of loss is submitted and the claim is denied in whole or in part.

IM 2027 08 09

## CONTRACTORS' EQUIPMENT COVERAGE

### AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Contractors' Equipment Coverage. This coverage is also subject to the "schedule of coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.

### DEFINITIONS

1. The words "you" and "your" mean the persons or organizations named as the insured on the declarations.
2. The words "we", "us", and "our" mean the company providing this coverage.
3. "Contractors' equipment" means machinery, equipment, and tools of a mobile nature that "you" use in "your" contracting, installation, erection, repair, or moving operations or projects.

"Contractors' equipment" also means:

- a. self-propelled vehicles designed and used primarily to carry mounted equipment; or

- b. vehicles designed for highway use that are unlicensed and not operated on public roads.
4. "Equipment schedule" means a schedule of "contractors' equipment" that is attached to this policy and that describes each piece of covered equipment.
5. "Jobsite" means any location, project, or work site where "you" are in the process of construction, installation, erection, repair, or moving.
6. "Limit" means the amount of coverage that applies.
7. "Pollutant" means:
  - a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
  - b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.
8. "Schedule of coverages" means:
  - a. all pages labeled schedule of coverages or schedules which pertain to this coverage; and
  - b. declarations or supplemental declarations which pertain to this coverage.
9. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.

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10. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to:

- a. personal property in the open; or
- b. the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roofs or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

11. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.

12. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow.

Volcanic action does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss to the covered property.

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## PROPERTY COVERED

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"We" cover the following property unless the property is excluded or subject to limitations.

### 1. Scheduled Equipment --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:
  - 1) "your" "contractors' equipment"; and

- 2) "contractors' equipment" of others in "your" care, custody, or control.

b. **Coverage Limitation** -- "We" only cover "your" "contractors' equipment" and "contractors' equipment" of others:

- 1) that are described on the "equipment schedule"; and
- 2) when Scheduled Equipment is indicated on the "schedule of coverages".

### 2. Schedule On File --

a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:

- 1) "your" "contractors' equipment"; and
- 2) "contractors' equipment" of others in "your" care, custody, or control.

b. **Coverage Limitation** -- "We" only cover "your" "contractors' equipment" and "contractors' equipment" of others:

- 1) that are listed in a schedule which "you" must submit to "us" and "we" keep on file, the schedule must contain a description of each item to be covered and a "limit" for each item; and
- 2) when Schedule on File is indicated on the "schedule of coverages".

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## PROPERTY NOT COVERED

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1. **Aircraft Or Watercraft** -- "We" do not cover aircraft or watercraft.
2. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.
3. **Leased Or Rented Property** -- "We" do not cover property that "you" lease or rent to others.



4. **Loaned Property** -- "We" do not cover property that "you" loan to others.
5. **Underground Mining Operations** -- "We" do not cover property while stored or operated underground in connection with any mining operations.
6. **Vehicles** -- "We" do not cover automobiles, motor trucks, tractors, trailers, and similar conveyances designed for highway use and used for over the road transportation of people or cargo. However, this does not include:
  - a. self-propelled vehicles designed and used primarily to carry mounted equipment; or
  - b. vehicles designed for highway use that are unlicensed and not operated on public roads.
7. **Waterborne Property** -- "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.

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## COVERAGE EXTENSIONS

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**Provisions That Apply To Coverage Extensions** -- The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Coverage Extension, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage including a Coverage Extension or Supplemental Coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following coverage extensions are not subject to and not considered in applying coinsurance conditions.

### Debris Removal --

1. **Coverage** -- "We" pay the cost to remove the debris of covered property that is caused by a covered peril.
2. **We Do Not Cover** -- This coverage does not include costs to:
  - a. extract "pollutants" from land or water; or
  - b. remove, restore, or replace polluted land or water.
3. **Limit** -- "We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.
4. **Additional Limit** -- "We" pay up to an additional \$5,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.
5. **You Must Report Your Expenses** -- "We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.

## SUPPLEMENTAL COVERAGES

### Provisions That Apply To Supplemental Coverages

-- The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Coverage, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.

The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension including a Supplemental Coverage or Coverage Extension that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following supplemental coverages are not subject to and not considered in applying coinsurance conditions.

### 1. Employee Tools --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to tools owned by "your" employees.
- b. **Coverage Limitation** -- "We" only cover tools owned by "your" employees while at a:
  - 1) premises that "you" own or operate; or
  - 2) "jobsite".
- c. **Limit** -- The most "we" pay in any one occurrence for loss to employee tools is \$5,000.

### 2. Equipment Leased Or Rented From Others --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to "contractors' equipment" that "you" have leased or rented from others.
- b. **Limit** -- The most "we" pay in any one occurrence for equipment leased or rented from others is \$25,000.

### 3. Newly Purchased Property --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to additional "contractors' equipment" that "you" purchase during the policy period.
- b. **Limit** -- The most that "we" pay for any loss under this supplemental coverage is the least of the:
  - 1) actual cash value of the covered property; or
  - 2) "limit" for newly purchased property indicated on the "schedule of coverages". If no "limit" is indicated, then 30% of the Catastrophe Limit indicated on the "schedule of coverages" applies to this coverage.

- c. **Time Limitation** -- "We" extend coverage to the additional "contractors' equipment" that "you" purchase for up to 60 days.

This supplemental coverage will end when any of the following first occur:

- 1) this policy expires;
- 2) 60 days after "you" obtain the additional "contractors' equipment"; or
- 3) "you" report the additional "contractors' equipment" to "us".

- d. **Additional Premium** -- "You" must pay any additional premium due from the date "you" purchase the additional "contractors' equipment".

4. **Pollutant Cleanup And Removal** --

- a. **Coverage** -- "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period.
- b. **Time Limitation** -- The expenses to extract "pollutants" are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.
- c. **We Do Not Cover** -- "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants".

However, "we" pay the cost of testing which is necessary for the extraction of "pollutants" from land or water.

- d. **Limit** -- The most "we" pay for each location is \$25,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

5. **Rental Reimbursement** --

- a. **Coverage** -- In the event of a direct physical loss by a covered peril to "your" "contractors' equipment", "we" reimburse "you" for "your" expense to rent similar equipment while "your" equipment is inoperable.

The deductible amount indicated on the "schedule of coverages" does not apply to a loss covered under this supplemental coverage.

- b. **Waiting Period** -- "We" will not reimburse "you" for the rental of equipment until after the first 72-hours (unless otherwise indicated on the "schedule of coverages") following the direct physical loss to "your" "contractors' equipment" caused by a covered peril.

- c. **Incurred Rental Expenses** -- After the waiting period has passed, "we" will only reimburse "you" for the rental expenses that "you" actually incur.

- d. **Coverage After Expiration Date** -- "We" will continue to reimburse "you" for the rental of equipment after the expiration date of this coverage, provided the loss occurred before the expiration date.

- e. **Coverage Limitations** -- "We" will not reimburse "you":

- 1) if "you" can continue or resume "your" operations with similar equipment that is available to "you" at no additional expense to "you"; or
- 2) for the rental expense of any equipment unless "you" make every reasonable effort to repair, replace, or rebuild the inoperable equipment after the loss by a covered peril occurs.

- f. **Limit** -- The most "we" reimburse "you" in any one occurrence for rental expenses is \$5,000.

6. **Spare Parts And Fuel --**

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:
- 1) spare parts and accessories for "contractors' equipment"; and
  - 2) fluids for vehicles and "contractors' equipment"; fluids include gasoline, oil, and hydraulic fluid.
- b. **Limit** -- The most "we" pay in any one occurrence for loss to spare parts and accessories is \$5,000.

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**PERILS COVERED**

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"We" cover risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

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**PERILS EXCLUDED**

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1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.
  - a. **Civil Authority** -- "We" do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- b. **Nuclear Hazard** -- "We" do not pay for loss caused by or resulting from a nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct loss by fire resulting from the nuclear hazard is covered.
- c. **War And Military Action** -- "We" do not pay for loss caused by:
  - 1) war, including undeclared war or civil war; or
  - 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
  - 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War and Military Action Exclusion will apply in place of the Nuclear Hazard Exclusion.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following:
  - a. **Contamination or Deterioration** -- "We" do not pay for loss caused by contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in the covered property that causes it to damage or destroy itself.

But if contamination or deterioration results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

- b. **Criminal, Fraudulent, Dishonest Or Illegal Acts** -- "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:
- 1) "you";
  - 2) others who have an interest in the property;
  - 3) others to whom "you" entrust the property;
  - 4) "your" partners, officers, directors, trustees, joint venturers, or "your" members or managers if "you" are a limited liability company; or
  - 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- c. **Loss Of Use** -- "We" do not pay for loss caused by or resulting from loss of use, delay, or loss of market.
- d. **Mechanical Breakdown** -- "We" do not pay for loss caused by any mechanical, structural, or electrical breakdown or malfunction including a breakdown or malfunction resulting from a structural, mechanical, or reconditioning process.
- But if a mechanical, structural, or electrical breakdown or malfunction results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

- e. **Missing Property** -- "We" do not pay for missing property where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- f. **Pollutants** -- "We" do not pay for loss caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":
- 1) unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril"; or
  - 2) except as specifically provided under the Supplemental Coverages - Pollutant Cleanup and Removal.

"We" do cover any resulting loss caused by a "specified peril".

- g. **Temperature/Humidity** -- "We" do not pay for loss caused by dryness, dampness, humidity, or changes in or extremes of temperature.

But if dryness, dampness, humidity, or changes in or extremes of temperature results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

- h. **Voluntary Parting** -- "We" do not pay for loss caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.

- i. **Wear And Tear** -- "We" do not pay for loss caused by wear and tear, marring, or scratching.

But if wear and tear, marring, or scratching results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

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## WHAT MUST BE DONE IN CASE OF LOSS

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1. **Notice** -- In case of a loss, "you" must:

- a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
- b. give notice to the police when the act that causes the loss is a crime.

2. **You Must Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.

- a. **Payment of Reasonable Costs** -- "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. "Our" payment of reasonable costs does not increase the "limit".
- b. **We Do Not Pay** -- "We" do not pay for such repairs or emergency measures performed on property which has not been damaged by a peril insured against.

3. **Proof Of Loss** -- "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:

- a. the time, place, and circumstances of the loss;
- b. other policies of insurance that may cover the loss;
- c. "your" interest and the interests of all others in the property involved, including all mortgages and liens;
- d. changes in title of the covered property during the policy period; and
- e. estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.

4. **Examination** -- "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.

5. **Records** -- "You" must produce records, including tax returns and bank microfilms of all canceled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.

6. **Damaged Property** -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.

7. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.

8. **Abandonment** -- "You" may not abandon the property to "us" without "our" written consent.

9. **Cooperation** -- "You" must cooperate with "us" in performing all acts required by this policy.



## VALUATION

1. **Actual Cash Value** -- The value of covered property will be based on the actual cash value at the time of the loss (with a deduction for depreciation) unless replacement cost is indicated on the "schedule of coverages".
2. **Replacement Cost** -- The value of covered property will be based on the replacement cost without any deduction for depreciation unless Actual Cash Value is indicated on the "schedule of coverages".
  - a. **Replacement Cost Limitation** -- The replacement cost is limited to the cost of repair or replacement with similar materials and used for the same purpose. The payment will not exceed the amount "you" spend to repair or replace the damaged or destroyed property.
  - b. **Replacement Cost Does Not Apply Until Repair Or Replacement** -- Replacement cost valuation does not apply until the damaged or destroyed property is repaired or replaced.
  - c. **Time Limitation** -- "You" may make a claim for actual cash value before repair or replacement takes place, and later for the replacement cost if "you" notify "us" of "your" intent within 180 days after the loss.
3. **Pair Or Set** -- The value of a lost or damaged article which is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
4. **Loss To Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

## HOW MUCH WE PAY

1. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.
2. **Flat Deductible** -- "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" in any one occurrence unless Percentage Deductible is indicated on the "schedule of coverages".
3. **Percentage Deductible** -- When a percentage deductible is indicated on the "schedule of coverages", "we" pay only that part of "your" loss over the deductible amount as determined below.
  - a. **Determining The Deductible Amount** -- The deductible amount is determined by applying the percentage indicated on the "schedule of coverages" to the value of the covered property that is involved in the loss. The value is determined by the provisions described under the Valuation section of this policy.
  - b. **Two Or More Items** -- If a loss involves two or more pieces of equipment, the percentage indicated on the "schedule of coverages" will apply only to the covered property with the highest value.
  - c. **Minimum and Maximum Deductible** -- The percentage deductible will not exceed the Maximum Deductible amount and will not be less than the Minimum Deductible amount indicated on the "schedule of coverages".
4. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 3., 5., 6., and 7. under How Much We Pay, "we" pay the lesser of:
  - a. the amount determined under Valuation;

- b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
  - c. the "limit" that applies to the covered property. However, the most "we" pay for loss in any one occurrence is the Catastrophe Limit indicated on the "schedule of coverages".
5. **Coinsurance --**
- a. **When Coinsurance Applies --** "We" only pay a part of the loss if the "limit" is less than the percentage of the value of the covered property that is indicated on the "schedule of coverages".
  - b. **How We Determine Our Part Of The Loss --** "Our" part of the loss is determined using the following steps:
    - 1) multiply the percent indicated on the "schedule of coverages" by the value of the covered property at the time of loss;
    - 2) divide the "limit" for covered property by the result determined in b.1) above;
    - 3) multiply the total amount of loss, after the application of any deductible, by the result determined in b.2) above.

The most "we" pay is the amount determined in b.3) above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.
  - c. **If There Is More Than One Limit --** If there is more than one "limit" indicated on the "schedule of coverages" for this coverage part, this procedure applies separately to each "limit".
  - d. **If There Is Only One Limit --** If there is only one "limit" indicated on the "schedule of coverages" for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.
- e. **When Coinsurance Does Not Apply --** Conditions for coinsurance do not apply unless a coinsurance percentage is indicated on the "schedule of coverages".
6. **Insurance Under More Than One Coverage --** If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.
7. **Insurance Under More Than One Policy --**
- a. **Proportional Share --** "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.
  - b. **Excess Amount --** If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit".

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## LOSS PAYMENT

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### 1. Loss Payment Options --

- a. **Our Options --** In the event of loss covered by this coverage form, "we" have the following options:
  - 1) pay the value of the lost or damaged property;
  - 2) pay the cost of repairing or replacing the lost or damaged property;

- 3) rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
    - 4) take all or any part of the property at the agreed or appraised value.
  - b. **Notice Of Our Intent To Rebuild, Repair, Or Replace** -- "We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.
2. **Your Losses** --
- a. **Adjustment And Payment Of Loss** -- "We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy.
  - b. **Conditions For Payment Of Loss** -- An insured loss will be payable 30 days after:
    - 1) a satisfactory proof of loss is received, and
    - 2) the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".
3. **Property Of Others** --
- a. **Adjustment And Payment of Loss To Property of Others** -- Losses to property of others may be adjusted with and paid to:
    - 1) "you" on behalf of the owner; or
    - 2) the owner.
  - b. **We Do Not Have To Pay You If We Pay The Owner** -- If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits brought by the owners at "our" expense.

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## REPORTING CONDITIONS

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**Equipment Leased Or Rented From Others** -- If indicated on the "schedule of coverages", the following reporting conditions apply.

1. **Reports** --
  - a. **You Will Report To Us** -- Within 30 days after the end of the policy period, "you" will report to "us" the total amount of "your" expenditures for "contractors' equipment" that "you" lease or rent from others.
  - b. **Cancellation** -- If this policy is canceled, "you" will report the total amount of expenditures up to and including the date of cancellation.
2. **Premium Computation And Adjustment** --
  - a. The premium will be adjusted at the end of the policy period. The total computed premium will be determined by multiplying "your" total equipment expenditures by the reporting rate indicated on the "schedule of coverages" for Equipment Leased or Rented From Others.
  - b. "We" will compare the total computed premium to the deposit premium. If it is more than the deposit premium, "you" will pay "us" the difference. If it is less than the deposit premium, "we" will pay "you" the difference subject to the minimum premium indicated on the "schedule of coverages".
3. **Provisions That Affect How Much We Pay** -- The following provisions apply to reports that are submitted and may affect How Much We Pay:
  - a. **Failure To Submit Reports** -- If "you" have failed to submit the required reports or no report has been submitted, the most "we" will pay is 90% of the "limit".

- b. **Reported Values Are Less Than The Full Value** -- If "your" last report before a loss shows less than the actual value of "your" expenditures for "contractors' equipment" that "you" lease or rent from others, "we" will only pay a part of the loss. "We" will not pay a greater portion of the loss, prior to the application of the deductible, than the total expenditures "you" reported divided by "your" actual expenditures for "contractors' equipment" that "you" lease or rent from others during the reporting period.
- c. **We Will Not Pay More Than The Limit** -- "We" will not pay more than the applicable "limit" regardless of any reported value used in computing the premium.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Benefit to Others** -- Insurance under this coverage will not directly or indirectly benefit anyone having custody of "your" property.

3. **Conformity With Statute** -- When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.

4. **Estates** -- This provision applies only if the insured is an individual.

- a. **Your Death** -- On "your" death, "we" cover the following as an insured:

- 1) the person who has custody of "your" property until a legal representative is qualified and appointed; or
- 2) "your" legal representative.

This person or organization is an insured only with respect to property covered by this coverage.

- b. **Policy Period Is Not Extended** -- This coverage does not extend past the policy period indicated on the declarations.

## OTHER CONDITIONS

1. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

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**IM 7000 04 04**  
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5. **Misrepresentation, Concealment, Or Fraud** -- This coverage is void as to "you" and any other insured if, before or after a loss:
- "you" or any other insured have willfully concealed or misrepresented:
    - a material fact or circumstance that relates to this insurance or the subject thereof; or
    - "your" interest herein.
  - there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.
6. **Policy Period** -- "We" pay for a covered loss that occurs during the policy period.
7. **Recoveries** -- If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
- "you" must notify "us" promptly if "you" recover property or receive payment;
  - "we" must notify "you" promptly if "we" recover property or receive payment;
  - any recovery expenses incurred by either are reimbursed first;
  - "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid or any lesser amount to which "we" agree; and
  - if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be pro rated between "you" and "us" based on "our" respective interest in the loss.
8. **Restoration Of Limits** -- A loss "we" pay under this coverage does not reduce the applicable "limit" unless it is a total loss to a scheduled item. In the event of a total loss to a scheduled item, "we" refund the unearned premium on that item.
9. **Subrogation** -- If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.
- "You" may waive "your" right to recover from others in writing before a loss occurs.
10. **Suit Against Us** -- No one may bring a legal action against "us" under this coverage unless:
- all of the "terms" of this coverage have been complied with; and
  - the suit has been brought within two years after "you" first have knowledge of the loss.
- If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.
11. **Territorial Limits** -- "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.

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IM 7005 04 04  
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## SCHEDULE OF COVERAGES CONTRACTORS EQUIPMENT

(The entries required to complete this schedule  
will be shown below or on the "schedule of coverages".)

### PROPERTY COVERED

(check one)

☒ Scheduled Equipment (Refer to Equipment Schedule)

☐ Schedule On File (Schedule Dated : \_\_\_\_\_)  
Limit

**Catastrophe Limit** -- The most "we" pay  
for loss in any one occurrence is:

\$ 12,500

### COVERAGE EXTENSIONS

Additional Debris Removal Expenses \$ 5,000

### SUPPLEMENTAL COVERAGES

Employee Tools \$ 5,000

Equipment Leased or Rented From Others \$ 25,000

Newly Purchased Equipment (check one)

☒ Percentage of Catastrophe Limit 30 %

☐ Dollar Limit \$ \_\_\_\_\_

Pollutant Cleanup and Removal \$ 25,000  
Rental Reimbursement

-- Reimbursement Limit \$ 5,000

-- Waiting Period 72 hrs.

Spare Parts and Fuel \$ 5,000



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IM 7005 04 04  
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## COINSURANCE

(check one)

☐ 80%    ☐ 90%    ☒ 100%    ☐ Other \_\_\_\_\_%

## REPORTING CONDITIONS

(check if applicable)

☐ Equipment Leased or Rented From Others

-- Reporting Rate \$ \_\_\_\_\_

-- Deposit Premium \$ \_\_\_\_\_

-- Minimum Premium \$

## VALUATION

(check if applicable)

☐ Actual Cash Value                      ☒ Replacement Cost

☒ Indicated on Equipment Schedule

**DEDUCTIBLE**

(check one)

☒ Flat Deductible Amount      \$ 2,500

\$

☐ Percentage Deductible \_\_\_\_\_%

Maximum Ded Amount      \$

\$ \_\_\_\_\_

Minimum Ded Amount            \$

\$ \_\_\_\_\_

## OPTIONAL COVERAGES AND ENDORSEMENTS

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IM 7031 04 04  
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**EQUIPMENT SCHEDULE  
CONTRACTORS EQUIPMENT  
VALUATION BASIS**

(The entries required to complete this schedule  
will be shown below or on the "schedule of coverages".)

**SCHEDULED EQUIPMENT**

ACV = Actual Cash Value      RP = Replacement Cost

AA = Agreed Amount

Item #	Description of Equipment		
1	2009 T 300 Fork Lift S#035254		
	Limit \$ <u>12,000</u>	Valuation	RC

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## SCHEDULED PROPERTY FLOATER

In this coverage form, the words "you" and "your" mean the persons or organizations named as the insured on the declarations and the words "we", "us", and "our" mean the company providing this coverage.

Refer to the Definitions section at the end of this coverage form for additional words and phrases that have special meaning. These words and phrases are shown in quotation marks.

### AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Scheduled Property Floater. This coverage is also subject to the "schedule of coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

### PROPERTY COVERED

"We" cover the following property unless the property is excluded or subject to limitations.

1. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:
  - a. "your" property; and
  - b. property of others in "your" care, custody, and control.

2. **Coverage Limitation** -- "We" only cover "your" property and property of others that are described on the "schedule of coverages".

### PROPERTY NOT COVERED

1. **Aircraft Or Watercraft** -- "We" do not cover aircraft or watercraft.
2. **Buildings And Land** -- "We" do not cover buildings or land including land on which covered property is located.
3. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.
4. **Money And Securities** -- "We" do not cover accounts, bills, currency, food stamps, or other evidences of debt, lottery tickets not held for sale, money, notes, or securities.
5. **Vehicles** -- "We" do not cover automobiles or any self-propelled vehicles that are designed for highway use.
6. **Waterborne Property** -- "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.

### COVERAGE EXTENSIONS

**Provisions That Apply To Coverage Extensions** -- The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

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However, if no "limit" is indicated for a Coverage Extension within this coverage form, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage, including a Coverage Extension, Supplemental Coverage, or other coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following Coverage Extensions are not subject to and not considered in applying coinsurance conditions.

**Debris Removal --**

1. **Coverage** -- "We" pay the cost of debris removal. Debris removal means the costs for the demolition, clearing, and removal of debris of covered property if such debris results from a covered peril.
2. **We Do Not Cover** -- This coverage does not include costs to:
  - a. extract "pollutants" from land or water; or
  - b. remove, restore, or replace polluted land or water.
3. **Limit** -- "We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss or damage exclusive of the costs for debris removal. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.

4. **Additional Limit** -- "We" pay up to an additional \$5,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.

5. **You Must Report Your Expenses** -- "We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.

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**SUPPLEMENTAL COVERAGES**

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**Provisions That Apply To Supplemental Coverages** -- The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Coverage within this coverage form, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.

The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

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The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension, including a Supplemental Coverage, Coverage Extension, or other coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following Supplemental Coverages are not subject to and not considered in applying coinsurance conditions.

**1. Newly Acquired Property --**

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to additional property that:
  - 1) is similar to the property described on the "schedule of coverages"; and
  - 2) "you" acquire during the policy period.
- b. **Limit** -- The most that "we" pay for any loss under this supplemental coverage is the least of:
  - 1) the value of covered property as described in the Valuation section of this coverage form; or
  - 2) \$15,000.
- c. **Time Limitation** -- "We" extend coverage to the additional property that "you" acquire for up to 60 days.
 

This supplemental coverage will end when any of the following first occur:

  - 1) this policy expires;
  - 2) 60 days after "you" obtain the additional property; or
  - 3) "you" report the additional property to "us".
- d. **Additional Premium** -- "You" must pay any additional premium due from the date "you" acquire the additional property.

**2. Pollutant Cleanup And Removal --**

- a. **Coverage** -- "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period.
- b. **Time Limitation** -- The expenses to extract "pollutants" are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.
- c. **We Do Not Cover** -- "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants".
 

However, "we" pay the cost of testing that is necessary for the extraction of "pollutants" from land or water.
- d. **Limit** -- The most "we" pay for each location is \$10,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

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**PERILS COVERED**

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"We" cover risks of direct physical loss or damage unless the loss is limited or caused by a peril that is excluded.

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**PERILS EXCLUDED**

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1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

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- a. **Civil Authority** -- Order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- b. **Earth Movement** -- Any "earth movement".

However, if eruption, explosion, or effusion of a volcano results in "volcanic action", "we" will pay for the loss or damage caused by that "volcanic action".

If "earth movement" results in fire, "we" will pay for the loss or damage caused by that fire. If "earth movement" (other than eruption, explosion, or effusion of a volcano) results in explosion, "we" will pay for the loss or damage caused by that explosion.

This exclusion does not apply to covered property while in transit.

- c. **Flood** -- "Flood".

"We" also do not cover waterborne material carried or otherwise moved by "flood", whether or not driven by wind, including storm surge, or material carried or otherwise moved by mudslide or mudflow.

However, if "flood" results in fire, explosion, or sprinkler leakage, "we" will pay for the loss or damage caused by that fire, explosion, or sprinkler leakage.

This exclusion does not apply to covered property while in transit.

- d. **Nuclear Hazard** -- Nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct loss by fire resulting from the nuclear hazard is covered.

- e. **Sewer, Septic Tank, Sump, Or Drain Backup And Water Below The Surface** --

- 1) Water or waterborne material that backs up, overflows or is otherwise discharged through a sewer or drain, sump or septic tank, eaves trough or downspout; or
- 2) water or waterborne material below the surface of the ground, whether naturally or artificially occurring, including but not limited to water or waterborne material that exerts pressure on or flows, seeps, or leaks through or into a building or structure, sidewalk, driveway, foundation, swimming pool, or other structure.

But if sewer, drain, sump, septic tank, eaves trough, or downspout backup and water or waterborne material below the surface results in fire, explosion, or sprinkler leakage, "we" cover the loss or damage caused by that fire, explosion, or sprinkler leakage.

This exclusion does not apply to covered property while in transit.

- f. **War And Military Action** --

- 1) War, including undeclared war or civil war; or
- 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or



- 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War And Military Action exclusion will apply in place of the Nuclear Hazard exclusion.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following:

- a. **Contamination Or Deterioration --** "We" do not pay for loss or damage caused by or resulting from contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in the covered property that causes it to damage or destroy itself.
- b. **Criminal, Fraudulent, Dishonest, Or Illegal Acts --** "We" do not pay for loss or damage caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:
- 1) "you";
  - 2) others who have an interest in the property;
  - 3) others to whom "you" entrust the property;
  - 4) "your" partners, officers, directors, trustees, joint venturers, or "your" members or managers if "you" are a limited liability company; or
  - 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- c. **Electrical Currents --** "We" do not pay for loss or damage caused by or resulting from arcing or by electrical currents other than lightning.

But if arcing or electrical currents other than lightning result in a "specified peril", "we" do cover the loss or damage caused by that "specified peril".

- d. **Explosion, Rupture, Or Bursting --** "We" do not pay for loss or damage caused by or resulting from explosion, rupture, or bursting of steam boilers, steam or gas turbines, steam pipes, or steam engines. This exclusion applies only to loss or damage to the steam boilers, steam or gas turbines, steam pipes, or steam engines in which the loss occurred.
- e. **Loss Of Use --** "We" do not pay for loss or damage caused by or resulting from loss of use, delay, or loss of market.
- f. **Mechanical Breakdown --** "We" do not pay for loss or damage caused by or resulting from any mechanical, structural, or electrical breakdown or malfunction including a breakdown or malfunction resulting from a structural, mechanical, or reconditioning process.
- g. **Missing Property --** "We" do not pay for missing property where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- h. **Pollutants** -- "We" do not pay for loss or damage caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":

- 1) unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril"; or
- 2) except as specifically provided under the Supplemental Coverages - Pollutant Cleanup and Removal.

"We" do cover any resulting loss caused by a "specified peril".

- i. **Temperature/Humidity** -- "We" do not pay for loss or damage caused by or resulting from dryness, dampness, humidity, or changes in or extremes of temperature.

But if dryness, dampness, humidity, or changes in or extremes of temperature result in a "specified peril", "we" do cover the loss of damage caused by that "specified peril".

- j. **Theft From An Unattended Vehicle** -- "We" do not pay for theft from an unattended vehicle except when it is securely locked, its windows are fully closed, and there is visible evidence that entry into the vehicle was forced.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- k. **Voluntary Parting** -- "We" do not pay for loss or damage caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.

- l. **Wear And Tear** -- "We" do not pay for loss or damage caused by or resulting from wear and tear, marring, or scratching.

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## WHAT MUST BE DONE IN CASE OF LOSS

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1. **Notice** -- In case of a loss, "you" must:

- a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
- b. give notice to the police when the act that causes the loss is a crime.

2. **You Must Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.

- a. **Payment Of Reasonable Costs** -- "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. "Our" payment of reasonable costs does not increase the "limit".

- b. **We Do Not Pay** -- "We" do not pay for such repairs or emergency measures performed on property that has not been damaged by a peril insured against.

3. **Proof Of Loss** -- "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:

- a. the time, place, and circumstances of the loss;
- b. other policies of insurance that may cover the loss;

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- c. "your" interest and the interests of all others in the property involved, including all mortgages and liens;
  - d. changes in title of the covered property during the policy period; and
  - e. estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.
4. **Examination** -- "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.
5. **Records** -- "You" must produce records, including tax returns and bank microfilms of all canceled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
6. **Damaged Property** -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.
7. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
8. **Abandonment** -- "You" may not abandon the property to "us" without "our" written consent.
9. **Cooperation** -- "You" must cooperate with "us" in performing all acts required by this policy.

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## **VALUATION**

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- 1. **Actual Cash Value** -- The value of covered property will be based on the actual cash value at the time of loss (with a deduction for depreciation).
- 2. **Pair Or Set** -- The value of a lost or damaged article that is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
- 3. **Loss To Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

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## **HOW MUCH WE PAY**

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- 1. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.
- 2. **Deductible** -- "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" in any one occurrence.
- 3. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 4., 5., and 6. under How Much We Pay, "we" pay the lesser of:
  - a. the amount determined under Valuation;
  - b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
  - c. the "limit" that applies to the covered property.

4. **Coinsurance --**

- a. **When Coinsurance Applies --** "We" only pay a part of the loss if the "limit" is less than the percentage of the value of the covered property that is indicated on the "schedule of coverages".
- b. **How We Determine Our Part Of The Loss --** "Our" part of the loss is determined using the following steps:
  - 1) multiply the percent indicated on the "schedule of coverages" by the value of the covered property at the time of loss;
  - 2) divide the "limit" for covered property by the result determined in b.1) above;
  - 3) multiply the total amount of loss, after the application of any deductible, by the result determined in b.2) above.

The most "we" pay is the amount determined in b.3) above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

- c. **If There Is More Than One Limit --** If there is more than one "limit" indicated on the "schedule of coverages" for this coverage part, this procedure applies separately to each "limit".
- d. **If There Is Only One Limit --** If there is only one "limit" indicated on the "schedule of coverages" for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.
- e. **When Coinsurance Does Not Apply --** Conditions for coinsurance do not apply unless a coinsurance percentage is indicated on the "schedule of coverages".

5. **Insurance Under More Than One Coverage --**

If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.

6. **Insurance Under More Than One Policy --**

- a. **Proportional Share --** "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.
- b. **Excess Amount --** If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit".

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## LOSS PAYMENT

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1. **Loss Payment Options --**

- a. **Our Options --** In the event of loss covered by this coverage form, "we" have the following options:
  - 1) pay the value of the lost or damaged property;
  - 2) pay the cost of repairing or replacing the lost or damaged property;
  - 3) rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
  - 4) take all or any part of the property at the agreed or appraised value.

- b. **Notice Of Our Intent To Rebuild, Repair, Or Replace** -- "We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.

2. **Your Losses** --

- a. **Adjustment And Payment Of Loss** -- "We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy.
- b. **Conditions For Payment Of Loss** -- An insured loss will be payable 30 days after:
- 1) a satisfactory proof of loss is received; and
  - 2) the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".

3. **Property Of Others** --

- a. **Adjustment And Payment Of Loss To Property Of Others** -- Losses to property of others may be adjusted with and paid to:
- 1) "you" on behalf of the owner; or
  - 2) the owner.
- b. **We Do Not Have To Pay You If We Pay The Owner** -- If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits brought by the owners at "our" expense.

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**OTHER CONDITIONS**

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1. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Benefit To Others** -- Insurance under this coverage will not directly or indirectly benefit anyone having custody of "your" property.

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3. **Conformity With Statute** -- When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.
4. **Estates** -- This provision applies only if the insured is an individual.
- a. **Your Death** -- On "your" death, "we" cover the following as an insured:
- 1) the person who has custody of "your" property until a legal representative is qualified and appointed; or
  - 2) "your" legal representative.
- This person or organization is an insured only with respect to property covered by this coverage.
- b. **Policy Period Is Not Extended** -- This coverage does not extend past the policy period indicated on the declarations.
5. **Misrepresentation, Concealment, Or Fraud** -- This coverage is void as to "you" and any other insured if, before or after a loss:
- a. "you" or any other insured have willfully concealed or misrepresented:
- 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
  - 2) "your" interest herein; or
- b. there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.
6. **Policy Period** -- "We" pay for a covered loss that occurs during the policy period.
7. **Recoveries** -- If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
- a. "you" must notify "us" promptly if "you" recover property or receive payment;
  - b. "we" must notify "you" promptly if "we" recover property or receive payment;
  - c. any recovery expenses incurred by either are reimbursed first;
  - d. "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid, or any lesser amount to which "we" agree; and
  - e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be pro rated between "you" and "us" based on "our" respective interest in the loss.
8. **Restoration Of Limits** -- A loss "we" pay under this coverage does not reduce the applicable "limits".
9. **Subrogation** -- If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.
- "You" may waive "your" right to recover from others in writing before a loss occurs.
10. **Suit Against Us** -- No one may bring a legal action against "us" under this coverage unless:
- a. all of the "terms" of this coverage have been complied with; and



- b. the suit has been brought within two years after "you" first have knowledge of the loss.

If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.

- 11. **Territorial Limits** -- "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.

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## DEFINITIONS

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- 1. "Earth movement" means:

- a. earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. landslide, mudslide or mudflow;
- c. mine subsidence whether or not the non-natural mine is currently in use;
- d. any other movement of earth, including sinking (other than "sinkhole collapse"), shifting, or rising of earth including, but not limited to, erosion, expansion, shrinking, freezing, thawing, improper soil compaction, and movement of water under the surface of the ground that cause cracking, settling, or shifting of foundations, buildings, or structures; or
- e. eruption, explosion, or effusion of a volcano.

- 2. "Flood" means an overflowing or inundation by water of an area that was previously and normally dry or not covered by water, whether caused artificially or naturally, by human or animal forces or by an act of nature. "Flood" includes, but is not limited to:

- a. overflow of inland or tidal waters, waves, tidal waves, or tsunamis, or spray that results from any of these, all whether driven by wind or not, including but not limited to storm surge;
- b. unusual and rapid accumulation or runoff of surface waters from any source; or
- c. mudslides or mudflows if caused by:
  - 1) unusual and rapid accumulation or runoff of surface waters or waves; or
  - 2) currents of water exceeding anticipated cyclical levels.

- 3. "Limit" means the amount of coverage that applies.

- 4. "Pollutant" means:

- a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
- b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.

- 5. "Schedule of coverages" means:

- a. all pages labeled "schedule of coverages" or schedules that pertain to this coverage; and
- b. declarations or supplemental declarations that pertain to this coverage.

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6. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.
7. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to:

- a. personal property in the open; or
- b. the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roofs or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

8. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.
9. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow.

"Volcanic action" does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss or damage to the covered property.

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## SCHEDULE OF COVERAGES SCHEDULED PROPERTY FLOATER

(The entries required to complete this schedule  
will be shown below or on the "schedule of coverages".)

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### COVERED PROPERTY

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Item No.	DESCRIBED PROPERTY	"Limit"
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

### COVERAGE EXTENSIONS

Additional Debris Removal Expenses \$ \_\_\_\_\_

### SUPPLEMENTAL COVERAGES

Newly Acquired Property \$ \_\_\_\_\_

Pollutant Cleanup And Removal \$ \_\_\_\_\_

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## DEDUCTIBLE AND COINSURANCE

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### DEDUCTIBLE

Deductible Amount \$2500

### COINSURANCE

☐ Not Applicable

☒ 80%      ☐ 90%      ☐ 100%      ☐ Other \_\_\_\_\_%

### OPTIONAL COVERAGES AND ENDORSEMENTS

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ZBC D713544 02  
1309516  
Original Insured

SUPERIOR KNIFE LLC

1281 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007

SUPERIOR KNIFE LLC  
1281 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007

SUPERIOR KNIFE LLC

1281 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007



## **Customer Notice of Privacy Policy and Producer Compensation Practices Disclosures**

### **Privacy Policy Disclosure**

#### **Collection of Information**

We collect personal information so that we may offer quality products and services. This information may include, but is not limited to, name, address, Social Security number, and consumer reports from consumer reporting agencies in connection with your application for insurance or any renewal of insurance. For example, we may access driving records, insurance scores or health information. Our information sources will differ depending on your state and/or the product or service we are providing to you. This information may be collected directly from you and/or from affiliated companies, non-affiliated third parties, consumer reporting agencies, medical providers and third parties such as the Medical Information Bureau.

We, and the third parties we partner with, may track some of the web pages you visit through cookies, pixel tagging or other technologies. We currently do not process or comply with any web browser's "do not track" signals or similar mechanisms that request us to take steps to disable online tracking. For additional information regarding online privacy, please see our online privacy statement, located at [www.hanover.com](http://www.hanover.com).

#### **Disclosure of Information**

We may disclose non-public, personal information you provide, as required to conduct our business and as permitted or required by law. We may share information with our insurance company affiliates or with third parties that assist us in processing and servicing your account. We also may share your information with regulatory or law enforcement agencies, reinsurers and others, as permitted or required by law.

Our insurance companies may share information with their affiliates, but will not share information with non-affiliated third parties who would use the information to market products or services to you.

Our standards for disclosure apply to all of our current and former customers.

#### **Safeguards to Protect Your Personal Information**

We recognize the need to prevent unauthorized access to the information we collect, including information held in an electronic format on our computer systems. We maintain physical, electronic and procedural safeguards intended to protect the confidentiality and integrity of all non-public, personal information, including but not limited to social security numbers, driver's license numbers and other personally identifiable information.

#### **Internal Access to Information**

Access to personal, non-public information is limited to those people who need the information to provide our customers with products or services. These people are expected to protect this information from inappropriate access, disclosure and modification.

#### **Consumer Reports**

In some cases, we may obtain a consumer report in connection with an application for insurance. Depending on the type of policy, a consumer report may include information about you or your business, such as:

- character, general reputation, personal characteristics, mode of living;
- credit history, driving record (including records of any operators who will be insured under the policy); and/or
- an appraisal of your dwelling or place of business that may include photos and comments on its general condition.

#### **Access to Information**

Upon written request, we will inform you if we have ordered an investigative consumer report. You have the right to make a written request within a reasonable period for information concerning the nature and scope of the report and to be interviewed as part of its preparation. You may obtain a copy of the report from the reporting agency and, under certain circumstances, you may be entitled to a copy at no cost.

You also may review certain information we have about you or your business in our files. To review information we maintain in our files about you or your business, please write to us, providing your complete name, address and policy number(s), and indicating specifically what you would like to see. If you request actual copies of your file, there may be a nominal charge.

We will tell you to whom we have disclosed the information within the two years prior to your request. If there is not a record indicating that the information was provided to another party, we will tell you to whom such information is normally disclosed.





There is information that we cannot share with you. This may include information collected in order to evaluate a claim under an insurance policy, when the possibility of a lawsuit exists. It may also include medical information that we would have to forward to a licensed medical doctor of your choosing so that it may be properly explained.

#### **Correction of Information**

If after reviewing your file you believe information is incorrect, please write to the consumer reporting agency or to us, whichever is applicable, explaining your position. The information in question will be investigated. If appropriate, corrections will be made to your file and the parties to whom the incorrect information was disclosed, if any, will be notified. However, if the investigation substantiates the information in the file, you will be notified of the reasons why the file will not be changed. If you are not satisfied with the evaluation, you have the right to place a statement in the file explaining why you believe the information is incorrect. We also will send a copy of your statement to the parties, if any, to whom we previously disclosed the information and include it in any future disclosures.

#### **Our Commitment to Privacy**

In the insurance and financial services business, lasting relationships are built upon mutual respect and trust. With that in mind, we will periodically review and revise our privacy policy and procedures to ensure that we remain compliant with all state and federal requirements. If any provision of our privacy policy is found to be non-compliant, then that provision will be modified to reflect the appropriate state or federal requirement. If any modifications are made, all remaining provisions of this privacy policy will remain in effect. For more detailed information about our customer privacy policy (including any applicable state-specific policies) and our online privacy statement, visit our Web site, located at [www.hanover.com](http://www.hanover.com).

#### **Further Information**

If you have questions about our customer privacy policy (including any applicable state-specific policies) or our online privacy statement, or if you would like to request information we have on file, please write to us at our Privacy Office, N435, The Hanover Insurance Group, Inc., 440 Lincoln Street, Worcester, MA 01653. Please provide your complete name, address and policy number(s). A copy of our Producer Compensation Disclosure is also available upon written request addressed to the attention of the Corporate Secretary, N435, The Hanover Insurance Group, 440 Lincoln Street, Worcester, MA 01653.

#### **Producer Compensation Disclosure**

Our products are sold through independent agents and brokers, often referred to as "Producers." We may pay Producers a fixed commission for placing and renewing business with our company. We may also pay additional commission and other forms of compensation and incentives to Producers who place and maintain their business with us. Details of our Producer compensation practices may be found at [www.hanover.com](http://www.hanover.com).

This notice is being provided on behalf of the following Hanover Companies: The Hanover Insurance Group, Inc. - Allmerica Financial Alliance Insurance Company - Allmerica Financial Benefit Insurance Company - Allmerica Plus Insurance Agency, Inc. - Citizens Insurance Company of America - Citizens Insurance Company of Illinois - Citizens Insurance Company of the Midwest - Citizens Insurance Company of Ohio - Citizens Management, Inc. - AIX Ins. Services of California, Inc.- Campania Insurance Agency Co. Inc.- Campmed Casualty & Indemnity Co. Inc. - Chaucer Syndicates Limited- Educators Insurance Agency, Inc.- Hanover Specialty Insurance Brokers, Inc. - The Hanover American Insurance Company - The Hanover Insurance Company - The Hanover New Jersey Insurance Company - The Hanover National Insurance Company - Hanover Lloyd's Insurance Company - Massachusetts Bay Insurance Company - Opus Investment Management, Inc. - Professionals Direct Insurance Services, Inc. -Professional Underwriters Agency, Inc.- Verlan Fire Insurance Company - Nova Casualty Company - AIX Specialty Insurance Company.

THIS NOTICE IS PROVIDED IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS NOTICE DOES NOT GRANT COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF COVERAGE UNDER THE POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

### Schedule

Disclosure of Premium:	
Total Terrorism Premium	\$ 121
Fire Following Premium	\$ 33
Other than Fire Following Premium	\$ 88

### Disclosure of Terrorism Coverage Available

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from "acts of terrorism" defined in Section 102(1) of the Act as follows:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

The premium charged for this coverage is provided in the Schedule above and does not include any charges for the portion of loss that may be covered by the Federal Government as described below.

Your policy may contain other exclusions which could affect your coverage, such as an exclusion for Nuclear Events or Pollution. **Please read your policy carefully.**

### Note for Commercial Property or Commercial Inland Marine Policyholders in Standard Fire States:

In your state, a terrorism exclusion makes an exception for (and therefore provides coverage for) fire losses resulting from an act of terrorism. If you reject the offer of terrorism coverage, therefore, that rejection does not apply to fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy. The additional premium just for such fire coverage is shown in the Schedule above.

### Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

**Cap on Insurer Participation in Payment of Terrorism Losses**

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers' liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**Rejection of Terrorism Insurance Coverage**

☐ I decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

\_\_\_\_\_  
Applicant/Policyholder Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Citizens Insurance Company Of America  
Insurance Company

\_\_\_\_\_  
ZBC D713544 02  
Quote or Policy Number



ZBC D713544 02

**Citizens Insurance Company of America (A Stock Company)**  
**808 North Highlander Way, Howell, MI 48843-1070**  
**Commercial Line Policy**  
**Common Declarations**

CM

Policy Number	Policy Period		Coverage is Provided in the:	Agency Code
	From	To		
ZBC D713544 02	10/01/2020	10/01/2021	Citizens Insurance Company of America	1309516

**Named Insured and Address :****Agent :**

SUPERIOR KNIFE LLC 1281 ARTHUR AVE ELK GROVE VILLAGE IL 60007	ACRISURE LLC DBA PRESIDIO  55 SHUMAN BLVD STE 900 NAPERVILLE IL 60563
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**Branch :** Chicago Branch Office  
**Policy Period :** **From** 10/01/2020 **To** 10/01/2021  
12:01 A.M. Standard Time at Your Mailing Address Shown Above.  
**Business Description:** Knife Sharpening Company  
**Legal Entity:** Limited Liability Corporation

In Consideration of the premium, insurance is provided the Named Insured with respect to those premises described in the attached schedule(s) for which a specific limit of insurance is shown. This is subject to all terms of this policy including Common Policy Conditions. Coverage Parts, Forms and Endorsements may be subject to adjustment and/or a policy minimum premium.

<b>Commercial Property Coverage</b>	\$2,838.00
<b>Commercial General Liability Coverage</b>	\$4,392.00
<b>Cyber Liability Coverage</b>	\$112.00
<b>Commercial Inland Marine Coverage</b>	\$263.00
<b>Commercial Crime Coverage</b>	Not Covered
<b>Commercial Auto Coverage</b>	Not Covered
<b>Total Surcharges Premium</b>	N/A
<b>Additional Premium For Policy Minimum</b>	N/A
<b>** Total</b>	<b>\$7,605.00</b>

\*\*INCLUDES PREMIUM, IF ANY, FOR TERRORISM; REFER TO DISCLOSURE NOTICE

Countersigned \_\_\_\_\_ By \_\_\_\_\_

10 Pay - 20% Down



SUPERIOR KNIFE LLC

ZBC D713544 02

ACRISURE LLC DBA PRESIDIO

Group Number ZCL



SUPERIOR KNIFE LLC

ZBC D713544 02

**ACRISURE LLC DBA PRESIDIO****Locations of All Premises You Own, Rent or Occupy****Location: 1**

6235 W. Howard Steet  
Niles IL  
60714

**Forms Applicable to all Coverage Parts:**

\*Asterisk denotes new or changed form

<b><u>Form Number</u></b>	<b><u>Edition Date</u></b>	<b><u>Description</u></b>
331-0053	08/16	Illinois Inquiry Notice
401-1337	02/16	Trade Or Economic Sanctions Endorsement
* 401-1374	01/15	Disclosure Pursuant To Terrorism Risk Insurance Act
* 401-1377	06/20	Company Address Listing
* 401-1504	01/20	Cap On Losses From Certified Acts Of Terrorism
* 401-1505	01/20	Exclusion - Punitive Damages Related To A Certified Act Of Terrorism
IL 00 03	09/08	Calculation of Premium
IL 00 17	11/98	Common Policy Conditions
IL 00 21	09/08	Nuclear Energy Liability Exclusion Endorsement
IL 01 47	09/11	IL Changes - Civil Union
IL 01 62	10/13	Illinois Changes - Defense Costs
IL 02 84	12/05	Illinois Changes - Cancellation And Nonrenewal
IL 09 35	07/02	Exclusion of Certain Computer-Related Losses
IL 09 52	01/15	Cap On Losses From Certified Acts of Terrorism
SIG 11 00	11/17	Signature Page





SUPERIOR KNIFE LLC

ZBC D713544 02

ACRISURE LLC DBA PRESIDIO

### Commercial Property Coverage Part Declaration

**Total Property Premium**

**\$2,838.00**

Coverages Provided:

Insurance at the Described Premises applies only for the coverage shown below:

**LOC      BLDG**

1	1	<b>Occupancy:</b>	Cutlery (not powered) and Flatware Mfg.
		<b>Territory:</b>	080
		<b>Construction:</b>	Noncombustible
		<b>Protection Class:</b>	3

**LOC      BLDG**

1	1	<b><u>Coverage:</u></b>	<b><u>Cause of Loss:</u></b>	<b><u>Premiums:</u></b>
		Contents All Inclusive	Special	\$1,452.00
		Limit Of Insurance:	\$1,200,000.00	
		Replacement Cost		

		<b>Coinsurance:</b>	80%
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**LOC      BLDG**

1	1	<b><u>Coverage:</u></b>	<b><u>Cause of Loss:</u></b>	<b><u>Premiums:</u></b>
		Business Income	Special	\$335.00
		Limit Of Insurance:	\$500,000.00	
		Coinsurance	80%	
		Extended Period of Indemnity	60 Days Included	
		Business Income Time Deductible	72 Hours	

**LOC      BLDG      DED BY LOC**

1	1	<b><u>APPLICABLE DEDUCTIBLE</u></b>	
		Windstorm/Hail Deductible	\$1,000.00
		Theft Deductible:	\$1,000.00
		Other Deductible:	\$1,000.00



SUPERIOR KNIFE LLC

ZBC D713544 02

ACRISURE LLC DBA PRESIDIO

### Commercial Property Coverage Part Declaration

**Additional Premium for Property Minimum :** N/A

<b><u>Miscellaneous/Optional Property Coverages:</u></b>	<b><u>PREMIUM</u></b>
Data Breach	\$55.00
Boiler / Machinery / Equipment Breakdown	\$228.00
Emergency Event Management Coverage	\$19.00
Terrorism Premium	\$55.00
Gold Property Broadening Endorsement	\$545.00
Manufacturing Property Broadening Endorsement	\$149.00



SUPERIOR KNIFE LLC

ZBC D713544 02

ACRISURE LLC DBA PRESIDIO

### Forms Applicable to Property Coverage Parts:

\*Asterisk denotes new or changed form

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
411-0610	04/14	Emergency Event Management
411-0669	01/15	Data Breach Coverage Form
411-0679	04/10	Associates And Family Members Additional Coverage Endorsement
411-0681	12/09	Identity Theft Resolution Services
411-0793	04/14	Gold Property Broadening Endorsement
411-0815	04/14	Manufacturing Property Broadening Endorsement
411-0926	05/17	Illinois Changes - Data Breach Coverage Form
451-0038	11/16	Equipment Breakdown Coverage (Including Electronic Circuitry Impairment)
* 451-0039	11/16	Commercial Property Coverage Part Equipment Breakdown Coverage Schedule
CP 00 10	10/12	Building and Personal Property Coverage Form
CP 00 30	10/12	Business Income (And Extra Expense) Coverage Form
CP 00 90	07/88	Commercial Property Conditions
CP 01 40	07/06	Exclusion of Loss Due to Virus or Bacteria
CP 01 49	06/07	Illinois Changes - Artificially Generated Electrical Current Exclusion
* CP 04 11	10/12	Protective Safeguards
CP 10 30	10/12	Cause of Loss - Special Form
IL 01 18	02/17	Illinois Changes



SUPERIOR KNIFE LLC

ZBC D713544 02

ACRISURE LLC DBA PRESIDIO

## Commercial General Liability Coverage Part Declaration

Audit Frequency: Annual

**Limits of Insurance:**

<b>General Aggregate Limit</b>	\$2,000,000
<b>Products-Completed Operations Aggregate Limit</b>	\$2,000,000
<b>Each Occurrence Limit</b>	\$1,000,000
<b>Personal and Advertising Injury Limit</b>	\$1,000,000
<b>Damage to Premises Rented to You Limit</b>	\$100,000
<b>Medical Expense Limit, Any One Person</b>	\$10,000
<b>General Liability Deductible:</b>	
<b>Total Advance Commercial General Liability Premium</b>	\$4,392.00

THIS POLICY CONTAINS AGGREGATE LIMITS; REFER TO SECTION III - LIMITS OF INSURANCE FOR DETAILS

### Forms Applicable to General Liability Coverage Parts:

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
421-0022	12/90	Asbestos Liability Exclusion
421-0330	06/15	Exclusion Tobacco And Electronic Cigarette Liability
421-2915	06/15	Commercial General Liability Broadening Endorsement
421-2916	06/15	Commercial General Liability Enhancement Endorsement
CG 00 01	04/13	Commercial General Liability Coverage Form - Occurrence
CG 02 00	01/18	Illinois Changes - Cancellation and Nonrenewal
CG 04 35	12/07	Employee Benefits Liability Coverage
CG 21 06	05/14	Exclusion - Access or Disclosure of Confidential or Personal Information and Data-Related Liability - With Limited Bodily Injury Exception
CG 21 47	12/07	Employment - Related Practices Exclusion
CG 21 55	09/99	Total Pollution With a Hostile Fire Exception
CG 21 67	12/04	Fungi or Bacteria Exclusion
CG 21 70	01/15	Cap On Losses From Certified Acts of Terrorism
CG 21 76	01/15	Exclusion of Punitive Damages Related To A Certified Act Of Terrorism
CG 21 96	03/05	Silica or Silica-Related Dust Exclusion



SUPERIOR KNIFE LLC

ZBC D713544 02

ACRISURE LLC DBA PRESIDIO

**Commercial General Liability Classification Schedule Declaration**

<u>LOC</u>	<u>ST</u>	<u>TERR</u>	<u>CODE</u>	<u>SUBLINE</u>	<u>PREMIUM BASIS</u>	<u>PER</u>	<u>RATE</u>	<u>ADVANCE PREMIUM</u>
1	IL	506	51999	334	\$2,673,980 Receipts (Sales)	1,000	.27	\$722.00
1	IL	506	51999	336	\$2,673,980 Receipts (Sales)	1,000	.92	\$2,460.00

Cutlery (not powered) and Flatware Mfg.

<u>LOC</u>	<u>ST</u>	<u>TERR</u>	<u>CODE</u>	<u>SUBLINE</u>	<u>PREMIUM BASIS</u>	<u>PER</u>	<u>RATE</u>	<u>ADVANCE PREMIUM</u>
1	IL	506	12362	334	\$914,752 Receipts (Sales)	1,000	.213	\$195.00
1	IL	506	12362	336	\$914,752 Receipts (Sales)	1,000	.431	\$394.00

Distributors no food or drink

**Miscellaneous/Optional General Liability Coverages****Advance Premium**

Employee Benefits Coverage	\$316.00
Terrorism Premium	\$55.00
CGL Enhancement	\$250.00

Additional Premium for Coverage Minimum: N/A

**Total Advance General Liability Premium** \$4,392.00

<b>Subline</b>	<b>334</b>	<b>Premises and Operations</b>
<b>Subline</b>	<b>336</b>	<b>Products and/or Completed Operations</b>



## CYBER DECLARATIONS

### CLAIMS-MADE WARNING

THIS COVERAGE PART INCLUDES COVERAGES WRITTEN ON A CLAIMS-MADE BASIS SUBJECT TO ITS TERMS. CLAIMS-MADE COVERAGE APPLIES ONLY TO "CLAIMS" FIRST MADE AGAINST THE "INSUREDS" DURING THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD. PLEASE READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE AND COVERAGE RESTRICTIONS.

### "DEFENSE EXPENSES" WITHIN LIMITS AND DEDUCTIBLE

THE LIMITS OF LIABILITY WILL BE REDUCED AND CAN BE COMPLETELY EXHAUSTED BY THE PAYMENT OF COVERED "DEFENSE EXPENSES". IN THE EVENT THAT THE LIMIT OF LIABILITY IS EXHAUSTED, THE "INSURER" SHALL NOT BE LIABLE FOR "DEFENSE EXPENSES", JUDGMENTS OR SETTLEMENTS IN EXCESS OF THE APPLICABLE LIMIT. INSURING AGREEMENTS A. AND B. ARE SUBJECT TO DEDUCTIBLE AMOUNTS STATED IN THE DECLARATIONS. AMOUNTS INCURRED FOR "DEFENSE EXPENSES" ARE SUBJECT TO THE APPLICABLE DEDUCTIBLE.

Policy Number	Coverage is provided by:
ZBC D713544 02	<b>Citizens Insurance Company of America</b> <i>(A Stock Company)</i> 808 North Highlander Way Howell, MI 48843-1070
<b>Item 1. NAMED INSURED:</b>	
SUPERIOR KNIFE LLC 1281 ARTHUR AVE ELK GROVE VILLAGE IL 60007	
<b>Item 2. POLICY PERIOD</b>	
Inception Date: 10/01/2020                      Expiration Date: 10/01/2021 (12:01 AM standard time at the address shown in <b>Item 1.</b> )	
<b>Item 3. AGGREGATE LIMIT OF LIABILITY FOR THIS COVERAGE PART</b>	
Maximum Aggregate Limit of Liability	\$50,000





<b>Item 4. INSURING AGREEMENTS</b>			
<b>Prior and Pending Proceedings Date:</b>		10/01/2018	
<b>Retroactive Date:</b>		10/01/2018	
<b>Insuring Agreement</b>	<b>Limits of Liability</b>	<b>Deductible</b>	<b>Premium</b>
A. Privacy and Security Liability	\$50,000	\$5,000	\$56
B. Cyber Media Liability	\$50,000	\$5,000	\$56
<b>Item 5. PREMIUM FOR COVERAGE PART</b>			\$112
<b>Item 6. FORMS OR ENDORSEMENTS ATTACHED AT ISSUE:</b>			
<b><u>Form Number</u></b>	<b><u>Edition Date</u></b>	<b><u>Name</u></b>	
850-0001	01/15	Cyber Coverage Part	
850-0025	01/15	Illinois Amendatory Endorsement	



SUPERIOR KNIFE LLC

ZBC D713544 02

ACRISURE LLC DBA PRESIDIO

**Inland Marine Declaration****Total Inland Marine Premium****\$263.00**

Coverages Provided:

Insurance at the Described Premises applies only for the coverage shown below:

<u>LOC</u>	<u>BLDG</u>	<u>Type of Coverage</u>	<u>Premium</u>
1	1	Misc Property Floaters	\$150.00
		Limit	\$15,000.00
		Deductible	\$1,000.00
		Coinsurance	See Form
		Schedule	See Form
		Reporting Form	Non-Reporting

**Additional Premium for Inland Marine Minimum:**

N/A

**Miscellaneous/Optional Inland Marine Coverages:****PREMIUM**

Contractors' Equipment Coverage

\$102.00

Terrorism Premium

\$11.00



SUPERIOR KNIFE LLC

ZBC D713544 02

ACRISURE LLC DBA PRESIDIO

**Forms Applicable to Inland Marine Coverage Parts:**

\*Asterisk denotes new or changed form

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
CL 01 20	10/08	Amendatory Endorsement - Illinois
CL 06 00	01/15	Certified Terrorism Loss
CL 07 00	10/06	Virus OR Bacteria Exclusion
CM 01 50	03/10	Illinois Changes - Artificially Generated Current Exclusion
IM 20 2	07/05	Deductible Waiver for Lojack Brand Protection System
IM 20 27	08/09	Amendatory Endorsement - Illinois
IM 70 00	04/04	Contractors' Equipment Coverage
IM 70 05	04/04	Schedule of Coverages - Contractors Equipment Coverage
* IM 70 31	04/04	Equipment Schedule - Contractors' Equipment - Valuation Basis
IM 75 00	10/09	Scheduled Property Floater
IM 75 06	10/09	Schedule of Coverages - Scheduled Property Floater

THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

**In Witness Whereof**, this company has caused this policy to be signed by its President and Secretary and countersigned on the declarations page, where required, by a duly authorized agent of the company.

A handwritten signature in black ink, appearing to read "John C. Roche". The signature is fluid and cursive, with the first letter of each word being capitalized and prominent.

John C. Roche  
President

A handwritten signature in black ink, appearing to read "Charles F. Cronin". The signature is cursive, with the first letters of the first and last names being capitalized and prominent.

Charles Frederick Cronin  
Secretary

## **ILLINOIS INQUIRY NOTICE**

In accordance with Illinois statute 215 ILCS 5/143c, the following information is provided:

This notice is to advise you that should any complaints arise regarding this insurance, you may contact the following:

The Hanover Insurance Company, Massachusetts Bay Insurance Company, Citizens Insurance Company of America, Citizens Insurance Company of Midwest, Citizens Insurance Company of Illinois, Allmerica Financial Benefit Insurance Company, Allmerica Financial Alliance Insurance Company and The Hanover American Insurance Company, complaint department for policies written through agencies located in the state of Illinois is:

**Complaint Department  
The Hanover Insurance Group  
333 W. Pierce Road  
Suite 300  
Itasca, Illinois 60143  
1-800-685-5669**

The address of the Consumer Division or Public Services Section of the Illinois Department of Insurance is:

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
320 W. Washington Street  
Springfield, Illinois 62767  
Or**

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
122 S Michigan Ave 19<sup>th</sup> Floor  
Chicago, IL 60603  
1-312-814-2420**

**Or**

**<http://insurance.illinois.gov>**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **TRADE OR ECONOMIC SANCTIONS ENDORSEMENT**

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



## IMPORTANT INFORMATION ABOUT YOUR INSURANCE COMPANY

The Home Office address for the Insurance Company shown on the policy Declarations page is:

**Allmerica Financial Alliance Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**The Hanover American Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Allmerica Financial Benefit Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**The Hanover Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Campmed Casualty & Indemnity Company, Inc.**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**The Hanover Casualty Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of America**

*(A Stock Company)*

808 North Highlander Way  
Howell, MI 48843-1070

**Massachusetts Bay Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of Illinois**

*(A Stock Company)*

333 West Pierce Road, Suite 300  
Itasca, IL 60143-3114

**The Hanover New Jersey Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of the Midwest**

*(A Stock Company)*

9229 Delegates Row, Suite 100  
Indianapolis, IN 46240-3824

**Verlan Fire Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of Ohio**

*(A Stock Company)*

4400 Easton Commons Way, Suite 125  
Columbus, OH 43219-6223

**Nova Casualty Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

CONDOMINIUM, CO OP AND ASSOCIATION DIRECTORS AND OFFICERS LIABILITY  
CYBER LIABILITY COVERAGE PART  
DATA BREACH COVERAGE PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE FORM  
EMPLOYMENT PRACTICES LIABILITY  
RELIGIOUS INSTITUTIONS DIRECTORS, OFFICERS AND TRUSTEES LIABILITY COVERAGE PART  
SCHOOL AND EDUCATORS LEGAL LIABILITY COVERAGE PART

**A.** The following definition is added:

**"Certified act of terrorism"** means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism under the federal Terrorism Risk Insurance ACT, as amended (TRIA). The criteria contained in TRIA for a "certified act of terrorism" requires that the act must result in insured losses in excess of \$5,000,000 in the aggregate, attributable to all types of insurance subject to TRIA. The criteria also requires that the act must be a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**B.** The following Cap on Losses from Certified Acts of Terrorism is added:

If aggregate insured losses attributable to terrorist acts certified under TRIA exceed \$100,000,000,000 in a calendar year (January 1 through December 31) and we have met, or will meet, our insurer deductible under TRIA, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100,000,000,000, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**C.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy, such as losses excluded by the War exclusion.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

CONDOMINIUM, CO OP AND ASSOCIATION DIRECTORS AND OFFICERS LIABILITY  
CYBER LIABILITY COVERAGE PART  
DATA BREACH COVERAGE PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE FORM  
EMPLOYMENT PRACTICES LIABILITY  
RELIGIOUS INSTITUTIONS DIRECTORS, OFFICERS AND TRUSTEES LIABILITY COVERAGE PART  
SCHOOL AND EDUCATORS LEGAL LIABILITY COVERAGE PART

**A.** The following exclusion is added:

**Punitive Damages Related to a Certified Act of Terrorism**

Damages arising, directly or indirectly, out of a "certified act of terrorism" which are awarded as punitive damages.

**B.** The following definition is added:

**"Certified act of terrorism"** means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" requires that the act must

result in insured losses in excess of \$5,000,000 in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act. The criteria also requires that the act must be a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**C.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Policy.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

IL 00 03 09 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CALCULATION OF PREMIUM**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

IL 00 21 09 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**1. The insurance does not apply:**

**A. Under any Liability Coverage, to "bodily injury" or "property damage":**

- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.**

**C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:**

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

**2. As used in this endorsement:**

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".



"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

- (c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

IL 01 47 09 11

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES – CIVIL UNION**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
FARM COVERAGE PART  
FARM UMBRELLA LIABILITY POLICY  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCT WITHDRAWAL COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**A. The term "spouse" is replaced by the following:**

Spouse or party to a civil union recognized under Illinois law.

**B. Under the Commercial Auto Coverage Part, the term "family member" is replaced by the following:**

"Family member" means a person related to the:

1. Individual Named Insured by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of such Named Insured's household, including a ward or foster child; or
2. Individual named in the Schedule by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of the individual's household, including a ward or foster child, if the Drive Other Car Coverage – Broadened Coverage For Named Individual Endorsement is attached.

**C. With respect to coverage for the ownership, maintenance, or use of "covered autos" provided under the Commercial Liability Umbrella Coverage Part, the term "family member" is replaced by the following:**

"Family member" means a person related to you by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of your household, including a ward or foster child.

IL 01 62 10 13

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES – DEFENSE COSTS**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART – LEGAL LIABILITY COVERAGE FORM  
 COMMERCIAL PROPERTY COVERAGE PART – MORTGAGEHOLDERS ERRORS AND OMISSIONS COVERAGE FORM  
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
 FARM COVERAGE PART  
 FARM UMBRELLA LIABILITY POLICY  
 LIQUOR LIABILITY COVERAGE PART  
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCT WITHDRAWAL COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
 UNDERGROUND STORAGE TANK COVERAGE PART

**A.** The provisions of Paragraph **B.** are added to all Insuring Agreements that set forth a duty to defend under:

1. Section **I** of the Commercial General Liability, Commercial Liability Umbrella, Employment-related Practices Liability, Farm, Liquor Liability, Owners And Contractors Protective Liability, Pollution Liability, Products/Completed Operations Liability, Product Withdrawal, Medical Professional Liability, Railroad Protective Liability, Underground Storage Tank Coverage Parts, Auto Dealers Coverage Form and the Farm Umbrella Liability Policy;
2. Section **II** under the Auto Dealers, Business Auto and Motor Carrier Coverage Forms;
3. Section **III** under the Auto Dealers and Motor Carrier Coverage Forms;
4. Section **A.** Coverage under the Legal Liability Coverage Form; and

**5.** Coverage **C** – Mortgageholder's Liability under the Mortgageholders Errors And Omissions Coverage Form.

Paragraph **B.** also applies to any other provision in the policy that sets forth a duty to defend.

**B.** If we initially defend an insured ("insured") or pay for an insured's ("insured's") defense but later determine that the claim(s) is (are) not covered under this insurance, we will have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement for the defense costs under this provision will only apply to defense costs we have incurred after we notify you in writing that there may not be coverage, and that we are reserving our rights to terminate the defense and seek reimbursement for defense costs.

IL 02 84 12 05

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
FARM COVERAGE PART

- A.** The **Cancellation** Common Policy Condition is replaced by the following:

### **CANCELLATION**

1. The first Named Insured shown in the Declarations may cancel this policy by mailing to us advance written notice of cancellation.
2. If this policy has been in effect for 60 days or less, except as provided in Paragraphs **8.** and **9.** below, we may cancel this policy by mailing written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. If this policy has been in effect for more than 60 days, except as provided in Paragraphs **8.** and **9.** below, we may cancel this policy only for one or more of the following reasons:
  - a. Nonpayment of premium;
  - b. The policy was obtained through a material misrepresentation;
  - c. You have violated any of the terms and conditions of the policy;
  - d. The risk originally accepted has measurably increased;
  - e. Certification to the Director of Insurance of the loss of reinsurance by the insurer which provided coverage to us for all or a substantial part of the underlying risk insured; or
  - f. A determination by the Director that the continuation of the policy could place us in violation of the insurance laws of this State.

If we cancel this policy based on one or more of the above reasons except for nonpayment of premium, we will mail written notice at least 60 days before the effective date of cancellation. When cancellation is for nonpayment of premium, we will mail written notice at least 10 days before the effective date of cancellation.

4. We will mail our notice to you, any mortgagee or lienholder known to us and to the agent or broker.
5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
6. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
7. Our notice of cancellation will state the reason for cancellation.
8. **Real Property Other Than Residential Properties Occupied By 4 Families Or Less**

The following applies only if this policy covers real property other than residential property occupied by 4 families or less:

If any one or more of the following conditions exists at any building that is Covered Property in this policy, we may cancel this policy by mailing to you written notice of cancellation, by both certified and regular mail, if:

- a. After a fire loss, permanent repairs to the building have not started within 60 days of satisfactory adjustment of loss, unless the delay is due to a labor dispute or weather conditions.

b. The building has been unoccupied 60 or more consecutive days. This does not apply to:

- (1) Seasonal unoccupancy; or
- (2) Buildings under repair, construction or reconstruction, if properly secured against unauthorized entry.

c. The building has:

- (1) An outstanding order to vacate;
- (2) An outstanding demolition order; or
- (3) Been declared unsafe in accordance with the law.

d. Heat, water, sewer service or public lighting have not been connected to the building for 30 consecutive days or more.

The policy will terminate 10 days following receipt of the written notice by the named insured(s).

#### 9. Residential Properties Occupied By 4 Families Or Less

The following applies if this policy covers residential properties occupied by 4 families or less:

If this policy has been in effect for 60 days, or if this is a renewal policy, we may only cancel this policy for one or more of the following reasons:

- a. Nonpayment of premium;
- b. The policy was obtained by misrepresentation or fraud; or
- c. Any act that measurably increases the risk originally accepted.

If we cancel this policy based on one or more of the above reasons except for nonpayment of premium, we will mail written notice at least 30 days before the effective date of cancellation. When cancellation is for nonpayment of premium, we will mail written notice at least 10 days before the effective date of cancellation.

10. For insurance provided under the Commercial Property Coverage Part and the Capital Assets Program (Output Policy) Coverage Part, the following applies:

#### GRAIN IN PUBLIC GRAIN WAREHOUSES

(Not applicable to grain owned by the Commodity Credit Corporation)

The following applies only with respect to grain in public grain warehouses:

The first Named Insured or we may cancel this policy at any time by mailing to:

- a. The other; and

b. The Director of the Illinois Department of Agriculture (at its Springfield Office);

60 days' written notice of cancellation.

B. The following is added:

#### NONRENEWAL

1. If we decide not to renew or continue this policy, we will mail you, your agent or broker and any mortgagee or lienholder known to us written notice, stating the reason for nonrenewal, at least 60 days before the end of the policy period. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.

2. The following provision applies only if this policy covers residential properties occupied by 4 families or less:

a. If this policy has been issued to you and in effect with us for 5 or more years, we may not fail to renew this policy unless:

- (1) The policy was obtained by misrepresentation or fraud;
- (2) The risk originally accepted has measurably increased; or
- (3) You received 60 days' notice of our intent not to renew as provided in 1. above.

b. If this policy has been issued to you and in effect with us for less than 5 years, we may not fail to renew this policy unless you received 30 days' notice as provided in 1. above.

C. The following is added:

#### MAILING OF NOTICES

We will mail cancellation and nonrenewal notices to the last addresses known to us. Proof of mailing will be sufficient proof of notice.

IL 09 35 07 02

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES**

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
    - a.** Any of the following, whether belonging to any insured or to others:
      - (1)** Computer hardware, including microprocessors;
      - (2)** Computer application software;
      - (3)** Computer operating systems and related software;
      - (4)** Computer networks;
      - (5)** Microprocessors (computer chips) not part of any computer system; or
      - (6)** Any other computerized or electronic equipment or components; or
    - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
  - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
  - 2.** Under the Commercial Property Coverage Part:
    - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
    - b.** In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.



IL 09 52 01 15

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 EQUIPMENT BREAKDOWN COVERAGE PART  
 FARM COVERAGE PART  
 STANDARD PROPERTY POLICY

### **A. Cap On Certified Terrorism Losses**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

### **B. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EMERGENCY EVENT MANAGEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM – ACTUAL LOSS SUSTAINED  
CAUSES OF LOSS – SPECIAL FORM

Other words and phrases that appear in quotation marks have special meaning. Refer to **H. Definitions**.

The Building And Personal Property Coverage Form, Business Income (and Extra Expense) Coverage Form, Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained, and the Causes Of Loss – Special Form are amended by the addition of the Scheduled Coverages listed below. Unless otherwise noted, each Limit of Insurance shown in the Schedule is the most we will pay for the total applicable covered loss or damage resulting from a “covered emergency” regardless of the number of “covered locations” involved. The provisions of the Building and Personal Property Coverage Form, Business Income (and Extra Expense) Coverage Form, Business Income (and Extra Expense) Coverage Form Actual Loss Sustained, and the Causes of Loss – Special Form apply to the Scheduled Coverages unless specifically amended by this endorsement. If any loss or damage covered under this endorsement is also covered under any other provisions of this policy, or if more than one coverage under this endorsement applies to a specific type of loss or damage sustained, you may choose only one of the applicable coverages to apply to that loss. The most we will pay in such case is the Limit of Insurance applicable to the coverage you chose.

### Schedule of Coverages

Coverage	Limit of Insurance
<b>A.</b> Emergency Event Communication Expense	10,000
<b>B.</b> Emergency Event Business Income and Extra Expense	10,000
<b>C.</b> Post Emergency Event Expense - Per Person Limit	10,000
- Aggregate Limit	10,000

Coverage	Waiting Period
Emergency Event Communication Expense	None
Emergency Event Business Income	Follows the waiting period in the <b>BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM or BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM – ACTUAL LOSS SUSTAINED</b>
Emergency Event Extra Expense	None
Post Emergency Event Expense	None

#### A. “Emergency Event Communication Expense”

For the purpose of coverage under this endorsement only, the following is added to **A. Coverage**, Paragraph 4. **Additional Coverages** of the Building and Personal Property Coverage Form CP 00 10:

#### “Emergency Event Communication Expense”

We will pay necessary “emergency event communication expense” incurred by you resulting from a “covered emergency” at a “covered

location” for the sixty (60) consecutive days after a “covered emergency”.

This Additional Coverage does not apply to:

- (1) Any costs related to communications, advice or strategy development, that address continuing publicity or image concerns for periods occurring beyond the sixty (60) consecutive day period after a “covered emergency”, or
- (2) Communication-related expense dealing with mitigating negative publicity or restoring your

enterprise's image at any location other than the "covered location" at which the "covered emergency" occurred.

**B. Emergency Event Business Income and Extra Expense – Optional Coverage**

For the purpose of coverage under this endorsement only, when the Business Income (and Extra Expense) Coverage Form CP 00 30, or the Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581 is made a part of this policy, the following replaces all provisions of the Business Income (and Extra Expense) Coverage Form CP 00 30 or the Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581.

**1. "Emergency Event Business Income" and Extended "Emergency Event Business Income" Coverage**

**a. "Emergency Event Business Income"**

Subject to the Waiting Period shown in the Schedule of this endorsement, we will pay the actual loss of "emergency event business income" you sustain due to the necessary "suspension" of your "operations" during the "emergency event period of restoration". The "suspension" must be caused by or result from a "covered emergency" at your "covered location".

**b. Extended "Emergency Event Business Income"**

If the necessary "suspension" of your "operations" caused by or resulting from a "covered emergency" produces an "emergency event business income" loss payable under this endorsement, we will also pay the actual loss of "emergency event business income" you incur during the period that:

- (1) Begins on the date "operations" are resumed, or the date the "covered location" can be re-occupied by a tenant; and
- (2) Ends on the earlier of:
  - (a) The date you could reasonably restore your "operations" to a level which would generate the business income that would have existed had no "covered emergency" occurred; or
  - (b) The date you could reasonably have the "covered location" re-occupied by a tenant to a level that would generate the rental income which would have existed

if the "covered emergency" had not occurred; or

- (c) Thirty (30) consecutive days after the date determined in **b. (1)** above.

**c. Additional Conditions and Limitations – "Emergency Event Business Income" and Extended "Emergency Event Business Income"**

- (1) When alternative locations, whether or not owned by you, could have been used to mitigate any "Emergency Event Business Income" loss or Extended "Emergency Event Business Income" loss but were not, we will not pay more than what the calculable loss would have been had these other locations been used to mitigate the loss.
- (2) In the event that your coverage for loss of "Emergency Event Business Income" ends because it extends beyond the sixty (60) consecutive days provided after the "covered emergency", your coverage for Extended "Emergency Event Business Income" loss will commence only when and if you actually resume "operations" (or tenancy is re-established). When "operations" do not resume upon expiration of the sixty (60) consecutive day period, an interruption in your coverage for Business Income will occur between:
  - (a) The end of your "Emergency Event Business Income" coverage; and
  - (b) The start of your Extended "Emergency Event Business Income" coverage.
- (3) "Emergency Event Business Income" and Extended "Emergency Event Business Income" do not apply to loss of Business Income or loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the "covered emergency" in the area where the "covered locations" are located.

**d. Loss Determination - Business Income and Extended Business Income**

The amount of "emergency event business income" loss will be determined based on:

(1) The Net Income of the business at the "covered location" before the "covered emergency" occurred;

(2) The likely Net Income of the business at the "covered location" if no "covered emergency" occurred, but not including:

(a) Net Income earned due to increased sales or similar activity at other "covered locations" caused by the disruption of "operations" at the "covered location" where the "covered emergency" occurred; or

(b) Net Income that would have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the "covered emergency" on customers or other businesses; or

(c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the "covered emergency"; and

(3) Other relevant sources of information, including but not limited to:

(a) Your financial records and account procedures;

(b) Bills, invoices and other vouchers; and

(c) Deeds, liens or contracts.

## 2. "Emergency Event Extra Expense"

For the purpose of coverage under this endorsement only, when the Business Income (and Extra Expense) Coverage Form CP 00 30 or the Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581 is a part of this policy, the following applies:

a. We will pay reasonable and necessary "emergency event extra expense" caused by or resulting from a "covered emergency" at the "covered location" during the "emergency event period of restoration" to:

(1) Avoid or minimize the "suspension" of your business and to continue "operations" at the "covered location" or at temporary or replacement location(s). This includes but is not limited to temporary additional security, relocation expenses and

additional costs to equip and operate the temporary or replacement location; or

(2) Minimize the "suspension" of business if you cannot continue your "operations".

b. This coverage ends the earlier of:

(1) The date your "operations" are restored to a similar condition that would have existed had the "covered emergency" not occurred; or

(2) Sixty (60) consecutive days after the "covered emergency" event occurs.

c. "Emergency Event Extra Expense" does not include:

(1) ransom, extortion or other type of funds paid directly or indirectly to actual or alleged perpetrators causing, or threatening to cause, a "covered emergency"; or

(2) any reward funds.

3. **Resumption of Operations** – We will reduce the amount of:

a. "Emergency event business income" to the extent you can resume your "operations", in whole or in part, at the affected "covered location" or elsewhere; and

b. "Emergency event extra expense" loss to the extent you can return "operations" to normal and discontinue such "emergency event extra expense".

If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

## C. "Post Emergency Event Expense"

1. We will pay an "invitee's" "post emergency event expense" for sixty (60) consecutive days after the "covered emergency", subject to the Post Emergency Event – Per Person Limit of Insurance shown in the Schedule above.

2. Coverage is extended only to those "invitees" present at the affected "covered location" when the "covered emergency" occurred and whose treatment or expense arises directly from the trauma suffered from the "covered emergency".

3. The aggregate limit shown in the Schedule above is the most we will pay for the sum of all "post emergency event expense" in any policy period.

**D. Exclusions****1. Deleted Exclusions - Emergency Event Management Coverage Endorsement**

For the purpose of coverage under this endorsement only, the following exclusions under the Causes of Loss – Special Form CP 10 30 are deleted:

- a. **B.1.h. “Fungus”, Wet Rot, Dry Rot and Bacteria;**
- b. **B.2.h. Dishonest or Criminal Acts;**
- c. **B.3.b. Acts or Decisions; and**
- d. **B.3.c. (1) – (4) Faulty, Inadequate or Defective actions, activities or materials.**

**2. Additional Exclusions - Emergency Event Management Coverage Endorsement**

- a. For the purpose of coverage under this endorsement only, the following exclusions are added to **B. Exclusions**, Paragraph 1., Causes of Loss – Special Form CP 10 30:

We will not pay for loss or damage caused directly or indirectly by any of the following, regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- (1) Windstorm or hail;
- (2) Dishonest or criminal act by you, any of your partners, directors, officers or trustees whether:
  - (a) Acting alone or in collusion with each other or with any other party; or
  - (b) Whether or not occurring in the course and scope of employment, during the hours of employment or during your normal hours of operation.

- b. For the purpose of coverage under this endorsement only, the following exclusions are added to **B. Exclusions** of Causes of Loss – Special Form CP 10 30:

We will not pay for:

- (1) Any legal fees or costs, including but not limited to defense costs related to a claim or suit by a third party for bodily injury or property damage;
- (2) The cost to decontaminate, clean, repair, remediate, maintain or replace Covered Property;
- (3) Costs or expenses incurred by any person(s) who directly or indirectly instigated, threatened, funded,

perpetrated, participated, supported or was otherwise involved in the activities leading to the “covered emergency”; or

- (4) Any cost or expense reimbursable by a state or federal agency, or under workers compensation or similar laws.

- E. For the purpose of coverage under this endorsement only, **D. Deductible**, of the Building and Personal Property Coverage Form CP 00 10 does not apply.

**F. Loss Conditions**

- 1. For the purpose of coverage under this endorsement only, **E. Loss Conditions**, Paragraph 3. **Duties in The Event Of Loss Or Damage** of the Building and Personal Property Coverage Form CP 00 10 and **C. Loss Conditions**, Paragraph 2. **Duties in the Event of Loss** of the Business Income (and Extra Expense) Coverage Form CP 00 30 or Business Income (and Extra Expense) – Actual Loss Sustained 411-0581 are replaced by the following:

**Duties In The Event Of Loss**

- a. In the event of a “covered emergency” you must:

- (1) Notify law enforcement if a law may have been broken.
- (2) Give us notice of any “covered emergency” or event that is likely to lead to a “covered emergency” within forty-eight (48) hours of the time you, or any of your partners, directors, officers, trustees or employees with management or supervisory authority, first become aware of it.

Such notice must include, but is not limited to:

- (a) Specifics as to when, where and how the “covered emergency” occurred or is occurring;
- (b) The name, address and any other pertinent information pertaining to any injured persons including the cause, nature, location and extent of their injuries;
- (c) The name, address and any other pertinent information pertaining to:
  - (i) witnesses to the event, its origins or injuries to any person;
  - (ii) emergency responders; and
  - (iii) potential or known perpetrators;



- (d) Response activities undertaken by you or others to address the consequences of the "covered emergency"; and
  - (e) The nature and location of any physical damage to the "covered location" arising out of the "covered emergency" and the current repair status of such damage.
- (3) Take all reasonable steps to protect your "invitees" and the Covered Property at the "covered location" from further injury or damage, and keep a record of your expenses necessary to do so for consideration in the settlement of the claim. These actions do not guarantee such expenses will be covered nor will they increase the Limit of Insurance. In addition, we will not pay for any subsequent injury, loss or damage resulting from other than a "covered emergency". Also, if feasible, preserve and set damaged property aside and in the best possible order for examination.
- (4) As often as may be reasonably required, permit us to inspect the property proving the injury, loss or damage, and examine your books and records.
- Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (5) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (6) Cooperate with us in the investigation or settlement of the claim.
- (7) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records.
- In the event of an examination, an insured's answers must be signed.

2. For the purpose of coverage under this endorsement only, **E. Loss Conditions**, Paragraph 4. **Loss Payment**, of the Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

#### 4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this endorsement and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

#### G. Additional Conditions

For the purpose of coverage under this endorsement only:

- 1. **F. Additional Conditions**, Paragraph 1. **Coinsurance** of the Building and Personal Property Coverage Form CP 00 10 does not apply.
- 2. **D. Additional Condition, COINSURANCE** of the Business Income (and Extra Expense) Coverage Form CP 00 30 does not apply.
- 3. The following Additional Condition is added:

#### Other Insurance

If there is other insurance covering the same loss, we will pay only the amount of the covered loss in excess of the amount due from the other insurance, whether collectible or not. If the other insurance covers the same loss but includes a deductible, we will pay the deductible. Other insurance includes but is not limited to the insurance coverage or non-insurance services provided by an employer's Employee Assistance Plan or similar mental health service. Regardless of other insurance, we will not pay more than the applicable Limit of Insurance shown in the Schedule of this endorsement.

#### H. Definitions

For the purpose of coverage under this endorsement only, the following Definitions are added.

- 1. "Contaminated" or "contamination" means unfit for use by the introduction of unwholesome or undesirable elements.
- 2. "Covered Emergency" means the following:
  - a. **Violent Acts**
    - (1) A violent act at your "covered location", committed with malicious intent by one or more individuals against a person(s) or entity(s), which results in physical injury or death to



such targeted person(s) or bystanders.

This does not include violent acts committed by you, or any of your partners, directors, officers or trustees.

- (2) An attempt or threat of a violent act to be committed at your "covered location", made with malicious intent by one or more individuals against a person(s) or entity(s), which is likely to result in physical injury or death to such targeted person(s) or bystander(s).

(a) This does not include an attempt or threat of a violent act made by you, or any of your partners, directors, officers or trustees.

(b) For coverage to apply, such attempts or threats must be credible, plausible and reported to law enforcement.

- (3) A violent act at your "covered location", committed with malicious intent by one or more individuals against any person(s) or entity(s), which results in direct physical loss or damage to your premises or the property of others at the "covered location".

This does not include a violent act committed by you, or any of your partners, directors, officers or trustees.

- (4) An attempt or threat of a violent act to be committed on your "covered location", made with malicious intent by one or more individuals against any person(s) or entity(s), which is likely to result in direct physical loss or damage to your premises or the property of others at the "covered location".

(a) This does not include an attempt or threat of a violent act made by you, or any of your partners, directors, officers or trustees.

(b) For coverage to apply, such attempts or threats must be credible, plausible and reported to law enforcement.

#### **b. Premises Contamination**

- (1) Necessary closure of all or part of your "covered location" due to any sudden and accidental

"contamination" or impairment of the "covered location" which results in clear, visible, identifiable, internal or external symptoms of bodily injury, illness, or death of any person(s).

- (2) This includes a "covered location" "contaminated" by "covered illness", but does not include "contamination" of the "covered location", in whole or part, by other "pollutants", "fungi" or bacteria except as provided under "covered illness".

- (3) Confirmation of both the existence of the "covered illness", and "covered location" that the "covered illness" has "contaminated" must be confirmed by a qualified expert or experts and reliable laboratory testing.

#### **c. Contaminated Food or Beverage**

- (1) Necessary closure of all or part of your "covered location" by order of the governing Board of Health because of discovery or suspicion that "contaminated" food or beverage has been served to patrons at your "covered location"; or

- (2) Necessary announcement by you or any governmental body warning the public of a health hazard at your "covered location" because "contaminated" food or beverage has been served to your patrons.

#### **d. Specified Felonies**

The following felonies, whether committed, attempted, or threatened on your "covered premises":

- (1) **Child abduction or kidnapping.** The wrongful and illegal seizure of a child under age sixteen (16) at your "covered location" by someone other than the child's biological, adoptive or foster parents or guardians.

- (2) Stalking and abduction of one or more of your employees or customers by other than a relative;

- (3) Sexual assault; or

- (4) Felonious use of a firearm, other weapon or device designed to cause significant harm or damage;

#### **e. Other Emergency Incidents**

Any one of the following events occurring at your "covered location" and not arising out of a "covered emergency":

- (1) Explosion;

- (2) Fire;
- (3) Construction accident;
- (4) Equipment failure; or
- (5) Workplace accident;

which results in injury or damage to person(s) or property, and adverse regional or national news media coverage of your business or "operations".

3. "Covered Location" means:

- a. That part of a premises you occupy which is listed as a covered location on the Declarations, including the area within 1,000 feet of that premises.
- b. If you have more than one "covered location" under section a), the term "covered location" means only the location at which the "covered emergency" occurred.
- c. If you occupy only part of the site at a "covered location", this phrase is further defined as:
  - (1) The portion of the building which you rent, lease or occupy; and
  - (2) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

4. "Covered Illness" means only the following:

- a. bacterial microorganisms transmitted through human contact with food;
- b. hepatitis virus;
- c. legionnaire's disease; and
- d. noroviruses;

as defined by the United States Center for Disease Control.

"Covered Illness" does not include any other type of illness, bacteria, virus or disease.

5. "Emergency event business income" means:

- a. Net income (net profit or loss before income taxes) – including "rental value" - that would have been earned or incurred before the "covered emergency" at the "covered location"; and
- b. Continuing normal operating expenses incurred, including payroll, at the "covered location".

6. "Emergency event communication expense" means:

- a. Reasonable extra expense you incur, within the sixty (60) consecutive day period after the "covered emergency", due

to the use of your staff for necessary communication to your employees, shareholders, customers, government authorities, news media and other members of the public, when such expense is directly related to the "covered emergency"; and

- b. Reasonable fees and costs you incur, within the sixty (60) consecutive day period after the "covered emergency", due to the use of professional crisis management organizations necessary to assist or advise you on communications strategies to:

- (1) Mitigate negative publicity; or
- (2) Restore the image of your enterprise to pre-event levels following a "covered emergency".

7. "Emergency Event Extra Expense" means:

- a. All necessary expenses related to the "covered emergency" that exceed the normal operating expenses that would have been incurred by "operations" during the "emergency event period of restoration" if no "covered emergency" had occurred. We will deduct from the total of such expenses:

- (1) The salvage value of any property bought for temporary use during the "emergency event period of restoration", once "operations" are resumed; and
- (2) Any Extra Expense that is paid for by other insurance, except for insurance that is written, subject to the same plan, terms, conditions and provisions as this insurance;

- b. Necessary expenses that reduce the "emergency event business income" loss that otherwise would have not been incurred.

8. "Emergency event period of restoration" means the period of time that:

- a. Begins:

- (1) For **Business Income** - After the Waiting Period shown in the schedule of this endorsement following the date of the "covered emergency"; and
- (2) For **Extra Expense** – On the date of the "covered emergency"; and

- b. Ends:

**Business Income and Extra Expense –**

On the shorter of:

- (1) The date when, using reasonable speed, the "operations" at your "covered location" should be resumed or the "covered location" can be re-occupied by a tenant; or
  - (2) Sixty (60) consecutive days after the "covered emergency" occurred.
- 9. "Fungi" means any type or form of fungus, including but not limited to fungus, mildew, mold or resulting spores and byproducts, including mycotoxins, or allergens. However, "fungi" does not include "fungi" on food for human consumption.
- 10. "Invitee" means your employees, customers and others with legitimate business on your Covered Property.
- 11. "Operations" means:
  - a. Your business activities occurring at the "covered location"; and
  - b. Rental of your "covered location" for "rental value".
- 12. "Post emergency event expenses" means any of the following reasonable and necessary expenses incurred by an "invitee" at the affected "covered location" when the "covered emergency" occurred:
  - a. Medical treatment expenses;
  - b. Psychological counseling or other mental health treatment expenses;
  - c. Travel costs to and from a local provider of such medical or mental health treatment services; or
  - d. Funeral and burial expenses for those on site "invitees" who died as a result of the "covered emergency".
- 13. "Rental value" means Business Income that consists of:
  - a. Net income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the "covered location" as furnished and equipped by you, including fair rental value of any portion of the scheduled premises which is occupied by you; and
  - b. Continuing normal operating expenses incurred in connection with that scheduled location, including:
    - (1) Payroll; and
    - (2) The amount of charges which are legal obligation of the tenant(s) but would otherwise be your obligations.
- 14. "Suspension" means
  - a. The slowdown or cessation of your business activities; or
  - b. The part or all of the "covered location" that is rendered un-rentable due to the "covered emergency".

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## DATA BREACH COVERAGE FORM

Various provisions in this Coverage Form restrict coverage. Read the entire Coverage Form carefully to determine rights, duties and what is and is not covered.

Throughout this coverage form the words "we", "us" and "our" refer to the Company providing this insurance. The words "you" and "your" refer to the Named Insured shown in the Declarations. Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION F – DEFINITIONS**.

### SCHEDULE

<b>Data Breach Coverage Aggregate Limit of Insurance</b>	<b>\$ 10,000</b>
<b>Data Breach Expense Coverages Aggregate Sublimit of Insurance</b>	<b>\$ 10,000</b>
<b>Additional Expense Coverages Aggregate Sublimit of Insurance</b>	<b>\$ 10,000</b>
<b>Data Breach Coverage Deductible</b>	<b>\$ 1,000</b>
<b>Cyber Business Interruption Waiting Period Deductible</b>	<b>24 Hours</b>
<b>Premium:</b>	<b>\$ 55</b>

### SECTION A – COVERAGES

We will provide Data Breach Services, Data Breach Expense Coverages and Additional Expense Coverages as described below if you have a "data breach" that:

- a. Is discovered during the "policy period" of this Data Breach Coverage Form; and
- b. Is reported to us within 30 days of your discovery of the "data breach".

#### 1. Data Breach Services, Data Breach Expense Coverages, Additional Expense Coverages

##### a. Data Breach Services

##### (1) Consulting Services

If you contact our Designated Service Provider, they will provide Consulting Services to assist you with:

- (a) Notification requirements pursuant to "breach notice laws";
- (b) Drafting your notification letters; and
- (c) Media interface and press release drafting.

##### (2) Help Line

Provide a toll-free telephone line for "potentially-identified persons" with questions about the "data breach".

##### (3) Fraud Alert

A "potentially-identified person" who contacts our Designated Service Provider can place a Fraud Alert on his or her credit file(s) with the main

credit bureaus warning potential credit grantors to check with the "potentially-identified person" before extending credit in his or her name or on his or her behalf.

#### (4) Identity Restoration Case Management

An "identified person" who contacts our Designated Service Provider will be assisted by an identity restoration professional to help to correct his or her credit and other records and to restore control over his or her personal identity.

These Data Breach Services will be provided by our Designated Service Provider, as described in Paragraphs **15. and 16. of Section E. Conditions**, for a period of one year from the date the Data Breach Services are initiated.

Data Breach Services are only available if the jurisdiction or country where the "potentially-identified person" resides maintains "breach notice law" and, in the case of Fraud Alert, an operative credit monitoring service.

#### b. Data Breach Expense Coverages

We will pay your reasonable and necessary expenses incurred for the following Covered Expenses up to the limits of insurance described in **Section C – Limits of Insurance**:

#### (1) Notification to Potentially-Identified Persons – expenses to provide

notification of the "data breach" to "potentially-identified persons":

(a) As required by applicable "breach notice law"; or

(b) If reasonably necessary to maintain your business.

Covered expenses include the printing, postage and handling of notification letters or other means of disclosing the breach to "potentially-identified persons".

(2) **Forensic Analysis** – expenses to assess:

(a) The severity of the "data breach";

(b) The nature and extent of the "data breach";

Forensic Analysis expenses do not include the cost of restoration.

(3) **Proactive Monitoring Services Expense Coverage** – Expenses for "proactive monitoring services" provided to "potentially-identified persons" in jurisdictions or countries with operative credit monitoring services as provided through our Designated Service Provider.

Under this coverage we will only pay for expenses that you incur through our Designated Service Provider.

Services provided for Covered Expenses provided in **b.(1), b.(2) and b.(3)** above must be approved by us as described in **SECTION E – CONDITIONS, Paragraph 15. Service Providers.**

(4) **Breach Restoration Expenses**

We will pay "Breach Restoration Expenses" directly resulting from a "data breach" which is first discovered during the "policy period" and which results in the damage, deletion or destruction of "data" owned by you or for which you are legally liable.

(5) **Cyber Business Interruption and Extra Expense**

We will pay actual loss of "business income" and additional "extra expense" incurred by you during the "period of restoration" directly resulting from a "data breach" which is first discovered during the "policy period" and which results in an actual impairment or denial of service of

"business operations" during the "policy period".

### c. **Additional Expense Coverages**

We will pay your reasonable and necessary expenses incurred for the following Additional Expense Coverages. These expenses are subject to the limits of insurance described in **Section C – Limits of Insurance.**

(1) **Legal Services** – expenses incurred within the first six months following the discovery and reporting of a "data breach" as provided in this Section for approved outside professional legal counsel review and recommendations as to how you should respond to it, including final legal review of the proposed breach notification letter(s). However, we will not pay for expenses for legal counsel to review any third party liability litigation or notification of potential litigation.

(2) **Public Relations** – expenses incurred within the first six months following the discovery and reporting of a "data breach" as provided in this Section for approved outside public relations firm or crisis management firm recommendations for restoring the confidence of your customers and investors in the security of your company and its systems.

(3) **Third Party "Data Breach"** – expenses for notification to "potentially-identified persons" with whom you have a direct relationship when a "data breach" is sustained by a third party to whom you have sent "private personal data" to be under that third party's care, custody and control. This includes a "data breach" that occurs while transmitting or transporting the data to that third party. Covered expenses for this Additional Covered Expense are limited to the printing, postage and handling of notification letters to "potentially-identified persons".

Service providers for Additional Expense Coverage provided in paragraphs **c.(1), c.(2) and c.(3)** must be approved by us as described in **SECTION E – CONDITIONS, Paragraph 15. Service Providers.**

(4) **Data Breach Ransom Coverage** – monies extorted from and paid by you because or a threat or connected



series of threats to commit an intentional attack on your computer systems that if so committed, would result in a "data breach". This Data Breach Ransom Coverage is subject to the following conditions:

- (a) You must receive approval from us prior to the payment of any monies;
- (b) Any monies paid must only be to terminate or end the threat;
- (c) The threat must be one which, if carried out, would have led to a "data breach" that would have been covered under this Coverage Form had the monies not been paid;
- (d) The threat must have been made during the coverage period of this Data Breach Coverage Form;
- (e) The applicable Federal, state and/or local law enforcement authority was notified of the threat prior to any payment you make for which you are seeking reimbursement under this Additional Expense Coverage;
- (f) The threat must not have been committed by any of your employees or former employees, vendors or independent contractors hired by you;
- (g) You must make every reasonable effort not to divulge the existence of this Data Breach Ransom Coverage; and
- (h) You agree to keep confidential any amounts paid under this Data Breach Ransom Coverage except for any disclosure we approve in advance of that disclosure.

**(5) Data Breach Reward Coverage –** monies you pay for information leading to the arrest and conviction of any individual(s) who committed an illegal act(s) related to a "data breach" covered under this Coverage Form.

However, we will not pay for information that was provided by:

- (a) You;
- (b) Your internal or external auditors;
- (c) Any vendor or independent contractor hired by you;

(d) Any individual or firm hired by you to investigate the illegal act described above; or

(e) Any individual(s) with supervisory or management responsibility of any of the individual(s) described above.

**(6) Data Breach Investigations**

We will pay "defense expenses" directly resulting from a "regulatory investigation" regarding a "data breach" first discovered by you during the "policy period".

**(7) Data Breach Theft**

We will pay for loss resulting directly from your transfer, payment, or delivery of funds due to the fraudulent input of "data" directly into your "system" or through a "network" into your "system". Loss must first be discovered by you during the "policy period".

**SECTION B – EXCLUSIONS**

1. The following exclusions apply to Data Breach Services, Data Breach Expense Coverages and Additional Expense Coverages.

This insurance does not apply to:

**a. Costs to Research or Correct Deficiencies**

Any costs to research any deficiency, except as specifically provided under **SECTION A – COVERAGES**, Paragraph **1.b.(2) Forensic Analysis**, or any costs to correct any deficiency.

This includes, but is not limited to, any deficiency in your systems, procedures or physical security that may have contributed to a "data breach".

**b. Criminal Investigation or Proceedings**

Any costs arising out of criminal investigations or proceedings.

**c. Fines, Penalties or Assessments**

Any "fines, penalties, fees or assessments". This includes but is not limited to fees or surcharges from financial institutions.

**d. Defense or Legal Liability**

Any fees, costs, settlements, judgments, or liability of any kind arising in the course of, or as a result of a claim for damages, lawsuit, administrative proceedings, or governmental investigation against or involving you, except as provided under **SECTION A – COVERAGES**, Paragraph **1.c.(6) Data Breach Investigations**.



**e. Other Economic Costs**

Any other costs or expenses not expressly provided for under Data Breach Services, Data Breach Expense Coverages and Additional Expense Coverages provided in Paragraphs 1.a. through 1.c. Costs or expenses that we do not cover include but are not limited to expense to reissue credit or debit cards.

**f. Consequential Loss**

Any costs, or any other loss, caused by or resulting from delay, loss of use, loss of existing or prospective markets or any other consequential loss. This exclusion does not apply to **SECTION A – COVERAGES**, Paragraph 1.b.(5) **Cyber Business Interruption and Extra Expense**.

**g. Contractually Assumed Liability**

Legal obligations arising by reason of assumption of liability in a contract or agreement.

**h. Victim Expenses or Losses**

Costs or losses incurred by a victim of "data breach" or fraud activity except as provided for under Data Breach Services, Data Breach Expense Coverages and Additional Expenses Coverages provided in Paragraphs 1.a. through 1.c.

**i. Alternative Travel Arrangements or Fees**

Payment of alternative travel arrangements or additional fees.

**j. Psychological Counseling**

Psychological counseling for victims of a "data breach" or fraud activity.

**k. Legal Advice or Services**

Legal advice or other legal services, except as provided by the Legal Services Additional Expense Coverage, Paragraph 1.c.(1).

**l. Information Recapture**

Any costs or losses for the recapture of lost, stolen or destroyed information.

**m. Dishonesty**

Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of law by you, any of your partners, directors or trustees:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

**n. Governmental Action**

Seizure or destruction of property by order of governmental authority. Such loss or damage

is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

**o. Intentional or Willful Complicity**

Your intentional or willful complicity in a "data breach".

**p. Prior Discovery**

Any "data breach" discovered prior to the inception of this Data Breach Coverage Form.

**q. Threats, Extortion or Blackmail**

Any threat, extortion or blackmail including but not limited to, ransom payments and private security assistance except as provided in the Data Breach Ransom Coverage Additional Expense Coverage under Paragraph 1.(c)(4).

**r. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

**s. War and Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

2. The following exclusions apply to Breach Restoration Expenses, Cyber Business Interruption and Extra Expense, Data Breach Investigations, and Data Breach Theft only.

This insurance does not apply to:

**a. Investigations**

Costs, fees or expenses incurred or paid by you in establishing the existence of, or amount of loss, damage or expense.

**b. Non-monetary Relief**

Costs of compliance with any order for, grant of or agreement to provide non-monetary relief, including injunctive relief.

**c. Potential Income**

Potential income including interest and dividends not realized by you; however, this Exclusion shall not apply to loss of "business income" as provided under **SECTION A –**

**COVERAGES, Paragraph 1.b.(5) Cyber Business Interruption and Extra Expense.****d. Return of Payments**

Return of fees, charges, commissions or other compensation paid to you.

**e. System Changes**

Costs or "expenses" incurred to replace, upgrade, update, improve, or maintain a "system".

**f. Uniform Commercial Code**

Loss, damage, costs or "expenses" you agree to incur or incur on behalf of another natural person or entity when you are not obligated to incur such loss, costs or "expenses" under the Uniform Commercial Code or any other law, statute, rule or code anywhere in the world, including the rules or codes of any clearing or similar entity. This Exclusion does not apply to

**SECTION A – COVERAGES, Paragraph 1.b.(5) Cyber Business Interruption and Extra Expense.**

**SECTION C – LIMITS OF INSURANCE**

1. The most we will pay for all Data Breach Expense Coverages and Additional Expense Coverages combined is the Data Breach Coverage Aggregate Limit of Insurance shown in the **SCHEDULE** of this Data Breach Coverage Form. The Data Breach Coverage Aggregate Limit of Insurance is an annual aggregate limit and is the most we will pay for the total of the covered losses and expenses for all "data breach" events discovered by you during the current "policy period" regardless of the number of "data breach" events.
2. The Data Breach Expense Coverages Aggregate Sublimit of Insurance shown in the **SCHEDULE** of this Data Breach Coverage Form is the most we will pay under all Data Breach Expense Coverages combined for the total of all covered losses and expenses arising out of all "data breach" events during the "policy period" regardless of the number of "data breach" events. The Data Breach Expense Coverage Aggregate Sublimit of Insurance is part of, and not in addition to, the Data Breach Coverage Aggregate Limit of Insurance
3. The Additional Expense Coverages Aggregate Sublimit of Insurance shown in the **SCHEDULE** of this Data Breach Coverage Form is the most we will pay under all Additional Expense Coverages combined for the total of all covered losses and expenses for all "data breach" events during the "policy period" regardless of the number of "data breach" events. The Additional Expense Coverages Aggregate Sublimit of Insurance is part of, and not in addition to, the Data Breach Coverage Aggregate Limit of Insurance.

4. Regardless of the number of years this Data Breach Coverage Form remains in force or the number of premiums paid, no limits of insurance cumulate from this "policy period" to subsequent "policy periods".

**5. Discovery Policy Period Limits Apply**

A "data breach" may be first discovered by you in one "policy period", but cause covered loss or expenses in one or more subsequent "policy periods". If so, all covered loss or expenses for the "data breach" will be limited to the Data Breach Coverage Aggregate Limit of Insurance, the Data Breach Expense Coverages Aggregate Sublimit of Insurance and the Additional Expense Coverages Aggregate Sublimit of Insurance described respectively in Paragraphs 1., 2. and 3. above that are applicable to the "policy period" when the "data breach" was first discovered by you.

**6. Time Limits**

- a. You must report a "data breach", to us on or within 30 days of your discovery of the "data breach".
- b. You have up to one year from the date of reporting a "data breach", to initiate the services afforded to you.
- c. A "potentially-identified person" has up to one year from the date he or she receives notification of a "data breach" to initiate the services afforded to him or her.
- d. Once initiated, the services afforded to a "potentially-identified person" will continue for one year.
- e. Data Breach Services under **Section A – Coverages, Paragraph 1.a.** will be provided by our Designated Service Provider for a period one year from the date the Data Breach Services are initiated.

**SECTION D – DEDUCTIBLE**

The Data Breach Expense Coverages and Additional Expense Coverages provided under this Coverage Form are subject to the Data Breach Coverage Deductible shown in the **SCHEDULE** of this Coverage Form. The Data Breach Coverage Deductible applies to covered loss and expense arising out of each "data breach". Our obligation to make payments under Data Breach Expense Coverages and Additional Expense Coverages applies only to that part of covered loss and expense arising out of a single "data breach" event which is in excess of the Data Breach Coverage Deductible.

The Data Breach Coverage Deductible does not apply to **SECTION A –COVERAGES, paragraph 1.b.(6) Cyber Business Interruption and Extra Expense.** Losses payable under Cyber Business Interruption and Extra Expense are subject to the Cyber Business

Interruption Waiting Period Deductible shown on the **SCHEDULE** of this Coverage Form.

## **SECTION E – CONDITIONS**

### **1. Duties in the Event of a Data Breach.**

You must see that the following are done in the event of a “data breach”:

- a. Notify the police if a law may have been broken.
- b. Give us prompt notice of the “data breach”. As stated in **SECTION A – COVERAGES**, paragraph **b.**, you must report the “data breach” to us within 30 days of the date you first discover it.
- c. As soon as possible, give us, and/or our Designated Service Provider, a description of how, when and where the “data breach” occurred, including all of the following information as it becomes known to you:
  - (1) The method of “data breach”;
  - (2) The approximate date and time of the “data breach”;
  - (3) The approximate number of “potentially-identified persons” compromised as a result of the “data breach”;
  - (4) A detailed description of the type and nature of the information that was compromised;
  - (5) Whether or not the information was encrypted, and, if so, the level of encryption;
  - (6) Whether or not law enforcement has been notified;
  - (7) If available, the states in which the “potentially-identified persons” are domiciled;
  - (8) If available, who received the “private personal data” as a result of the “data breach”; and any other access, information or documentation we reasonably require to investigate or adjust your claim.
- d. Take all reasonable steps to protect “private personal data” remaining in your care, custody or control.
- e. Preserve all evidence of the “data breach”.
- f. Permit us to inspect the property and records proving the “data breach”.
- g. If requested, permit us to question you under oath at such times as may be reasonably required about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed.

- h. Send us a signed, sworn statement containing the information we request to investigate the claim. You must do this within 30 days after our request. We will supply you with the necessary forms.

- i. Cooperate with us in the investigation or settlement of the claim.

### **2. Concealment, Misrepresentation or Fraud**

This coverage is void in any case of fraud by you as it relates to this Data Breach Coverage Form. It is also void if you intentionally conceal or misrepresent a material fact concerning this Coverage Form or a claim under this Coverage Form.

### **3. Control of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Form at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

### **4. Two or More Coverage Parts, Forms, Endorsements or Policies Issued By Us**

It is our stated intent that the various coverage parts, forms, endorsements or policies issued to you by us or any company affiliated with us do not provide any duplication or overlap of coverage for the same loss, damage, expense or “data breach”. If this coverage form and any other coverage part, form, endorsement or policy issued to you by us or any company affiliated with us apply to the same loss, damage, expense, or “data breach”; the maximum Limit of Insurance under all such coverage parts, forms, endorsements or policies combined shall not exceed the highest applicable Limit of Insurance under any one coverage part, form, endorsement or policy.

If two or more of the coverages provided under this coverage form apply to the same loss, damage, expense or “data breach”; we will not pay more than the actual amount of the loss, damage or expense.

### **5. Legal Action Against Us**

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date of the “data breach” is first discovered by you.

### **6. Liberalization**

If we adopt any revision that would broaden the coverage under this Data Breach Coverage Form

without additional premium within 45 days prior to or during the "policy period", the broadened coverage will immediately apply to this coverage form.

#### **7. No Benefit to Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

#### **8. Other Insurance**

a. If you may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Data Breach Coverage Form, we will pay only our share of the covered loss, damage or expense. Our share is the proportion that the applicable Limit of Insurance under this Coverage Form bears to the Limits of Insurance of all insurance covering on the same basis.

b. If there is other insurance covering the same "data breach", other than that described in a. above, we will pay only for the amount for Data Breach Services, Data Breach Expense Coverages, and Additional Expense Coverages in excess of the amount due from that other insurance. We will not pay more than the applicable Limit of Insurance shown in the **SCHEDULE**.

#### **9. Policy Period, Coverage Territory**

Under this Endorsement:

##### **a. Policy Period**

This policy applies only to "data breaches" that are first discovered by you during the "policy period".

##### **b. Coverage Territory**

Coverage applies anywhere in the world, provided that no trade or economic sanction, embargo, insurance or other laws or regulations prohibit the "insurer" from covering the loss. The "data breach" must involve "private personal data" that was within your care, custody or control.

Data Breach Services are only available in jurisdictions or countries that maintain "breach notice law" and, in the case of Fraud Alert, an operative credit monitoring service.

#### **10. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you

may waive your rights against another party in writing:

- a. Prior to a loss.
- b. After a loss only if, at time of loss, that party is one of the following:
  - (1) Someone insured by this insurance;
  - (2) A business firm:
    - (a) Owned or controlled by you; or
    - (b) That owns or controls you; or
- c. Your tenant.

This will not restrict your insurance.

#### **11. Cancellation**

With regard to the cancellation of this policy, the provisions outlined in the Common Policy Conditions, Businessowners Coverage Part, Technology Professional Advantage, the Technology Professional Advantage Plus, whichever are included in the policy, shall apply and will automatically include the non-renewal or cancellation of this coverage form. You agree that no further notice regarding termination of this Coverage Form will be required.

#### **12. Due Diligence**

You agree to use due diligence to prevent and mitigate loss covered under this Coverage Form. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for providing and maintaining the following:

- a. Physical security for your premises, computer systems and hard copy files;
- b. "Computer" and Internet security;
- c. Periodic backups of computer data;
- d. Protection, including but not limited to, encryption of data, for transactions such as processing credit card, debit card and check payments; and
- e. Disposal of files containing "personal private data", including but not limited to shredding hard copy files and destroying physical media used to store "data".

#### **13. No Legal Advice Provided**

We are not your legal advisor and do not provide legal counsel to you. None of the services we provide under this Coverage Form constitute legal advice to you by us. Our determination of what is or is not covered under this Coverage Form does not represent legal advice or counsel from us about what you should or should not do.

#### **14. Pre-Notification Consultation**

You agree to consult with us prior to the issuance of notification to "potentially-identified persons". We assume no responsibility under this Coverage



Form for any services promised to “potentially-identified persons” without our prior agreement. You must provide the following at our pre-notification consultation with you:

- a. The exact list of “potentially-identified persons” to be notified, including contact information.
- b. Information about the “data breach” that may appropriately be communicated with “potentially-identified persons”.

#### 15. Service Providers

- a. We will only provide Data Breach Services through our Designated Service Provider(s). Any such services that are provided by any other individual or entity will not be covered by this Coverage Form.
- b. We will only pay Data Breach Expense Coverages and Additional Expense Coverages (except for Data Breach Ransom Coverage and Data Breach Reward Coverage) that are provided by service providers approved by us prior to the start of any of these services. If we suggest a service provider(s) but you prefer to use an alternative service provider(s), our coverage is subject to the following limitations:
  - (1) Such alternate service provider(s) must be approved by us; and
  - (2) Our payment for services provided by any alternative service provider(s) will not exceed the amount that we would have paid using the service provider we had suggested.
- c. You will have a direct relationship with any service provider, including our Designated Service Provider, paid for in whole or in part under this Coverage Form. All service providers work for you.

#### 16. Data Breach Services

The following conditions apply with respect to any data breach services provided to you or to any “potentially-identified person” or “identified person” by our designees or any service firm paid for under this Data Breach Coverage Form:

- a. The effectiveness of data breach services depends on your cooperation and assistance.
- b. All data breach services may not be available or applicable to all “potentially identified persons” or “identified persons”. For example, “potentially identified persons” who are minors or foreign nationals may not have credit records that can be provided or monitored.
- c. We do not warrant or guarantee that the data breach services paid for in whole or in part by this Coverage Form will end or eliminate all

problems associated with a covered “data breach”.

- d. We are not liable for any act or omission by any Designated Service Provider who is not our employee nor the employee of a third party provider of the data breach services described in this Coverage Form. We cannot be held responsible for failure to provide or for the delay in providing services when such failure or delay is caused by conditions beyond our control
- e. Data Breach Services are only available in jurisdictions or countries that maintain “breach notice law” and, in the case of Fraud Alert, an operative credit monitoring service.

#### 17. Cooperation

You agree to cooperate with and provide full disclosure of the circumstances surrounding a “data breach” to applicable federal or state regulators, law enforcement personnel, to us, and to our Designated Service Provider(s).

If you fail to cooperate, we will not be obliged under this contract for any services and expenses that cannot be provided due to your failure to cooperate.

#### 18. Appraisal

If we and you disagree on the amount of net income, operating expense or loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of the net income, operating expense and loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

#### SECTION F – DEFINITIONS

##### 1. Account Takeover

“Account takeover” means the takeover by a third party of one or more existing deposit accounts, credit card accounts, debit card accounts, ATM cards, or lines of credit in the name of an “identified person”.

##### 2. Breach Notice Law

“Breach Notice Law” means any federal, state, local or foreign privacy legislation, regulation and

their functional equivalent that requires an entity to provide notice to affected natural persons or data protection authorities regarding any actual or potential unauthorized access to "private personal data".

### 3. Breach Restoration Expenses

"Breach Restoration Expenses" means the reasonable cost of the blank "media" and the reasonable cost of labor for the actual transcription or copying of "data" or "media" in order to reproduce such "data" or replace such "media" from "data" and/or media of comparable kind or quality.

### 4. Business Income

"Business Income" means your:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if there had been no impairment or denial of "business operations" due to a covered "data breach" and
- b. Continuing normal operating expenses incurred, including payroll.

"Business income" does not include interest or investment income.

### 5. Business Operations

"Business Operations" means your usual and regular business activities.

### 6. Computer

"Computer" means a device or group of hardware devices on which software, applications, script, code and "computer" programs containing "data" can be operated and viewed.

### 7. Cyber Attack

"Cyber Attack" means the transmission of fraudulent or unauthorized "data" that is intended to and successfully modifies, alters, damages, destroys, deletes, records, transmits, or consumes information within a "system" without authorization, including "data" that is self-replicating or self-propagating, and which causes the disruption of the normal operation of a "system".

### 8. Data

"Data" means a representation of information, knowledge, facts, concepts or instructions which are being processed or have been processed in a "computer".

### 9. Data Breach

"Data breach" means:

- a. The loss, theft, accidental release or accidental publication of "private personal data" entrusted to you as respects one or more "potentially-identified persons" if such loss, theft, accidental release or accidental

publication has or could reasonably result in the fraudulent use of such information;

- b. Failure to protect "private personal data" including a "Cyber Attack" on your "system" or the actions of a "rogue employee" which directly results in the unauthorized disclosure of "private personal data";
- c. The theft or negligent loss of hardware, "media", "system output", "data" or other documents owned or controlled by you, or on your behalf, on which "private personal data" is stored or recorded;
- d. The failure or violation of the security of your "system" including the impairment or denial of access to your "system", including a "Cyber Attack" or unauthorized acts or omissions by a "rogue employee" which damages or harms your "system" or the "system" of a third party for whom you provide "services" for a fee;
- e. The theft or loss of hardware or "media" controlled by you, or on your behalf, on which "data" is stored;
- f. Disposal or abandonment of "private personal data" without appropriate safeguards such as shredding or destruction, subject to the following provisions:
  - (1) Your failure to use appropriate safeguards must be accidental and not intentional, reckless or deliberate and not in violation of your Due Diligence obligations under Paragraph 2. **Additional Conditions**, Paragraph a.;
  - (2) Such disposal or abandonment must take place during the time period for which this Data Breach Coverage Form is effective; or
- g. The failure to disclose an event described in a. thru f. above which violates any "breach notice law".

All incidents of "data breach" that are discovered at the same time or arise from the same cause or from a series of similar causes would be considered one "data breach". All theft of "private personal data" caused by any person or in which that person is involved, whether the result of a single act or series of related acts, is considered a single incident of "data breach".

### 10. Defense Expenses

"Defense Expenses" means the reasonable and necessary legal fees and expenses including attorney fees and expert fees incurred by us or by you (other than regular or overtime wages, salaries, fees or benefits of you or your employees) in the investigation, defense, settlement and appeal of a claim, including but not



limited to cost of consultants and witnesses, premiums for appeal, injunction, attachment or supersedes bonds regarding such claim.

#### 11. Electronic Data

"Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

#### 12. Expense

"Expense" means "Business Income", "Extra Expense", "Breach Restoration Expenses", and loss payable under the Data Breach Theft coverage incurred by you.

#### 13. Extra Expense

"Extra Expense" means the reasonable and necessary expenses you incur during the "period of restoration" in an attempt to continue "business operations" that have been interrupted due to a "data breach" and that are over and above the expenses such you would have incurred if no loss had occurred. "Extra expense" does not include any costs of updating, upgrading or remediation of your "system" that are not otherwise covered under this Coverage Part.

#### 14. Fines, Penalties or Assessments

"Fines, penalties or assessments" means any fines, assessments, surcharges, attorneys' fees, court costs or other penalties which you shall be required to pay as a result of a "data breach" or pursuant to any contract, law, regulation or order.

#### 15. Identified Person

"Identified person" means a "potentially-identified person" who is or appears to be a victim of "identity theft" or "account takeover" that may reasonably have arisen from a covered "data breach".

#### 16. Identity Theft

"Identity theft" means the fraudulent use of "private personal data". This includes the fraudulent use of such information to establish credit accounts, secure loans, enter into contracts or commit crimes.

"Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

"Identity theft" does not include the use of a valid credit card, credit account or bank account. However, "identity theft" does include the fraudulent alteration of account profile information, such as the address to which statements are sent.

#### 17. Media

"Media" means electronic applications, software, scripts and programs on which "data" is stored so that it can be collected, read, retrieved or processed by a "computer". "Media" does not mean paper, or other tangible property, money, debt, equity, instruments, accounts, bonds, bills, records, abstracts, deeds or manuscripts

#### 18. Network

"Network" means any services provided by or through the facilities of any electronic or "computer" communication system, allowing the input, output, examination, visualization or transfer of "data" or programs from one "computer" to your "computer". "Network" includes any shared networks, Internet access facilities, or other similar facilities for such systems, in which you participate.

#### 19. Period of Restoration

"Period of Restoration" means:

- a. The period of time that begins:
  - (1) For "Extra Expenses", immediately after the actual or potential impairment or denial of "business operations" occurs; and
  - (2) For the loss of "Business Income", after 24 hours or the number of hours shown as the Cyber Business Interruption Waiting Period Deductible in the **SCHEDULE** on this Coverage Forms, whichever is greater, immediately following the time the actual impairment or denial of "business operations" first occurs.
- b. The "Period of Restoration" ends on the earlier of the following:
  - (1) The date "business operations" are restored, with due diligence and dispatch, to the condition that would have existed had there been no impairment or denial; or
  - (2) Sixty (60) days after the date the actual impairment or denial of "business operations" first occurs;

The expiration date of this Policy or Coverage Part will not cut short the "period of restoration".

#### 20. Policy Period

"Policy Period" means the period of time from the inception date shown the Declarations to the earlier of the expiration date shown in the

Declarations or the effective date of termination of the Policy or Data Breach Coverage Form.

## **21. Potentially-Identified Person**

"Potentially-identified person" means any person who is your current, former or prospective customer, employee, client, member, or patient and whose "private personal data" is lost, stolen, accidentally released or accidentally published by a "data breach" covered under this Coverage Form.

"Potentially-identified person" does not include any business or organization. Only an individual person may be a "potentially-identified person".

A "potentially-identified person" may reside anywhere in the world.

## **22. Private Personal Data**

"Private Personal Data" means a natural person's first name or first initial and last name in combination with:

- a. Non-public personally identifiable information, as defined in applicable federal, state, local or foreign legislation or regulations including, social security number, driver's license number or other personal identification number (including an employee identification number or student identification number);
- b. Financial account number (including a bank account number, retirement account number or healthcare spending account number);
- c. Credit, debit or payment card numbers;
- d. Information related to employment by you;
- e. Individually identifiable information considered nonpublic personal information pursuant to Title V of the Gramm-Leach Bliley Act of 1999, as amended; or
- f. Individually identifiable information considered protected health information pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended;

which is intended to be accessible only by natural persons or entities you have specifically authorized to have such access.

"Private personal data" does not mean or include information that is otherwise available to the public, such as names and addresses with no

correlated Social Security numbers or account numbers.

## **23. Proactive Monitoring Services**

"Proactive monitoring services" means the following services if you offer to provide them to "potentially-identified persons" who contact our Designated Service Provider:

- a. A credit report;
- b. credit monitoring; and or
- c. fraud/public records monitoring service or services.

## **24. Regulatory Investigation**

"Regulatory Investigation" means a formal request for information, civil investigative demand or civil proceeding, including requests for information related thereto, brought by or on behalf of a state Attorney General, the Federal Trade Commission, the Federal Communications Commission or any other federal, state, local or foreign governmental agency.

## **25. Rogue Employee**

"Rogue Employee" means a permanent employee of yours, other than an "executive", who has gained unauthorized access or has exceeded authorized access to a "system" or "private personal data" owned or controlled by you or an entity that is authorized by you to hold, process or store "private personal data" for your exclusive benefit.

## **26. Services**

"Services" means "computer" time, data processing, storage functions or other uses of your "system".

## **27. System**

"System" means a "computer", "media" and all input, output, processing storage and communication devices controlled, supervised or accessed by operating software that is proprietary to, or licensed to, the owner of the "computer".

## **28. System Output**

"System Output" means a tangible substance on which "private personal data" is printed from a "System".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ASSOCIATES AND FAMILY MEMBERS ADDITIONAL COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

### DATA BREACH COVERAGE FORM

The following Additional Coverage is added to **SECTION A – COVERAGES** of the Data Breach Coverage Form:

#### A. ASSOCIATES AND FAMILY MEMBERS ADDITIONAL COVERAGE

As described in Paragraphs 1. and 2. below, we will extend certain **Data Breach Covered Services** to your “associates” and to their “family members” following loss of their “private personal data” under the circumstances described below. This Additional Coverage does not apply to a “data breach” involving information owned or controlled by you.

1. An “associate” or “family member” whose “private personal data” is lost or stolen by circumstances such as the loss of a credit card, debit card, ATM card, checkbook, driver’s license, or passport; or the loss of a wallet, purse, or briefcase containing any of the foregoing, may contact our Designated Service Provider for the Fraud Alert service described in **Section A – Coverages**, paragraph 1.a.(3) of the Data Breach Coverage Form.
2. An “associate” or “family member” who, as a result of loss or theft of “private personal data” described in Paragraph 1. above, becomes a victim of “identity theft” or “account takeover”, may contact our Designated Service Provider for the Identity Restoration Case Management services described in **Section A – Coverages**, paragraph 1.a.(4) of the Data Breach Coverage Form.

We will provide these services for a period of one year following the date we are notified of the initial loss of “private personal data”.

#### B. DEFINITIONS

Under **Section F – Definitions**, Paragraph

1. **Account Takeover** is replaced with the following:

#### 1. Account Takeover

“Account takeover”, as respects “associates” or “family members”, means the takeover by a third party of one or more existing deposit accounts, credit card accounts, debit card accounts, ATM cards, or lines of credit in the name of an “associate” or “family member”.

“Account takeover”, as respects “associates” or “family members”, includes the unauthorized takeover of one or more of the “associate’s” existing deposit accounts, credit card accounts, debit card accounts, ATM cards, or lines of credit by a “family member”.

Under **Section F – Definitions**, the following Definitions are added:

1. “Associate” means an employee of the business insured under this policy.
2. “Family Member” means:
  - a. an “associate’s” spouse, or Registered Domestic Partner, or the legal equivalent thereof; or
  - b. a relative under 23 years of age who is a dependent of the “associate”.

**IDENTITY THEFT RESOLUTION SERVICES  
(POWERED BY IDENTITY THEFT 911)**

Are you or your resident family members at risk for identity theft? Do you need expert assistance with an identity-related concern? IDENTITY THEFT RESOLUTION SERVICES from Identity Theft 911 give you one-on-one assistance in the following situations:

**Access Phone Number: 800-628-0250**

If you or a resident family member suffer the loss or theft of private personal data, contact Identity Theft 911 for proactive guidance that can include Fraud Alert service. If you wish, a fraud specialist can assist and place a free fraud alert on your credit file to reduce the risk of fraudulent accounts opened in your name. This service also includes additional preventative measures and one-on-one assistance, depending on the risk.

If you or a resident family member suffer the loss or theft of private passenger data, contact Identity Theft 911 for Identity Restoration Case Management services. A fraud specialist will guide you through the process of restoring your identity and handle all of the work, including completed documentation and notification assistance. Victims also receive one year of credit monitoring, as well as free fraud monitoring of over 1,000 public databases.

**Learn How to Protect Your Identity**

We recommend that you regularly visit The Hanover Insurance Group and Identity Theft 911 comprehensive resource and knowledge library – [www.hanover-identitytheft911.com](http://www.hanover-identitytheft911.com) – for the latest media alerts, identity theft tips, in-depth newsletters and much more.

Keep this access information handy in case you ever need help with an identity-related problem.

**Access Phone Number: 800-628-0250**

The Hanover Insurance Group makes no guarantee of results and assumes no liability in connection with either the information or assistance provided by Identity Theft 911. Any and all external Websites or sources referred to herein are for informational purposes only.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## GOLD PROPERTY BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CAUSES OF LOSS – SPECIAL FORM  
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM – ACTUAL LOSS SUSTAINED

The following is added to **C. Limits Of Insurance** of Building and Personal Property Coverage Form CP 00 10:

The limits applicable to the Coverages included in this endorsement may either be in addition to or included within the applicable Limits of Insurance. For application of the limits, refer to each coverage within this endorsement.

Refer to **SECTION V – DEFINITIONS** of this endorsement for additional words or phrases which appear in quotation marks as they have special meanings.

### I. COVERAGES

#### A. Scheduled Coverages

The coverages in this endorsement amend the coverage provided under the Building and Personal Property Coverage Form, Causes of Loss – Special Form, Business Income (and Extra Expense) Coverage Form and Business Income (and Extra Expense) Coverage - Actual Loss Sustained through new coverages and substitute coverage grants. These coverages are subject to the provisions applicable to this policy, except where amended within this endorsement. If any of the property covered by this endorsement is also covered under any other provisions of the policy of which this endorsement is made a part, or if more than one coverage under this endorsement applies, in the event of loss or damage, you may choose only one of these coverages to apply to that loss. The most we will pay in this case is the limit of insurance applying to the coverage you select. Coverages included in this endorsement apply either separately to each described premises or on an “occurrence” basis. Refer to each coverage within this endorsement for application of coverage.

	Limits of Insurance	Amended Limits of Insurance	Page
1. Additional Covered Property	Included	N/A	3
2. Brands & Labels	Included	N/A	4
3. Broadened Building Coverage	Included	N/A	4
4. Broadened Business Personal Property	Included	N/A	4
5. Building Limit - Inflation Guard	Included	N/A	5
6. Business Income & Extra Expense from Dependent Properties	\$150,000	\$	5
7. Catastrophe Allowance	\$50,000	N/A	5
8. Computer and Funds Transfer Fraud	\$15,000	\$	6
9. Consequential Loss to Stock	Included	N/A	6
10. Contract Penalties	\$50,000	\$	6
11. Debris Removal	\$250,000	\$	6
12. Denial of Access to Premises	Included	N/A	7
13. E-Commerce	\$10,000	\$	7
14. Electronic Data Processing Equipment	Included	N/A	8
15. Employee Theft including ERISA Compliance	\$100,000	\$	8
16. Employee Tools and Work Clothing	\$25,000	\$	10
17. Expediting Expense	\$50,000	\$	11
18. Extended Business Income	180 Days	N/A	11

19.	Extended Coverage on Property – within 2000 feet	Included	N/A	11
20.	Extra Expense	\$300,000	\$	11
21.	Fire Protection Equipment Recharge	Included	N/A	12
22.	Food Contamination including	\$25,000	\$	12
	Additional Advertising Expense	\$3,000	\$	12
23.	Forgery or Alteration	\$30,000	\$	12
24.	Foundations & Underground Pipes	Included	N/A	13
25.	International Air Shipments	\$50,000	\$	13
26.	Inventory & Loss Appraisal	\$250,000	\$	14
27.	Key Replacement & Lock Repair	\$20,000	\$	14
28.	Lease Cancellation	\$50,000	\$	14
29.	Leasehold Interest – Tenants	\$150,000	\$	15
30.	Marring & Scratching	Included	N/A	15
31.	Money & Securities	\$25,000	\$	15
32.	Money Orders & Counterfeit Money	\$25,000	\$	16
33.	Newly Acquired or Constructed Property – Building	\$2,000,000	\$	16
	Newly Acquired – Business Personal Property	\$1,000,000	\$	16
34.	Newly Acquired Locations – Business Income & Extra Expense	\$250,000	\$	17
35.	Non-Owned Detached Trailers	\$25,000	\$	17
36.	Ordinance or Law	\$500,000	\$	17
37.	Pollutant Clean-Up and Removal	\$100,000	\$	20
38.	Preservation of Property	90 Days	N/A	20
39.	Preservation of Property – Expense	\$50,000	\$	20
40.	Property in Transit	\$100,000	\$	21
41.	Property Off Premises	\$150,000	\$	21
42.	Prototypes	Included	N/A	21
43.	Rewards – Arson, Theft, Vandalism	\$75,000	\$	22
44.	Sales Representative Samples	\$25,000	\$	22
45.	Seasonal Increase – Business Personal Property	Included	N/A	22
46.	Sewer Backup	Included	N/A	23
47.	Soft Costs	\$25,000	\$	23
48.	Temporary Relocation of Property	\$100,000	\$	23
49.	Tenant Glass	\$15,000	\$	23
50.	Tenant Relocation	\$50,000	\$	24
51.	Theft Damage to Building	Included	N/A	24
52.	Transit Business Income & Extra Expense	\$75,000	\$	25
53.	Undamaged Tenants Improvements and Betterments	\$50,000	\$	25
54.	Underground Water Seepage	\$50,000	N/A	25
55.	Unintentional Property Reporting Errors	\$500,000	N/A	26
56.	Unnamed Locations	\$150,000	\$	26
57.	Utility Services – Direct Damage	\$100,000	\$	27
	Utility Services – Business Income	\$100,000	\$	27
58.	Voluntary Parting	\$50,000	\$	27
59.	Water Damage, Other Liquids, Powder or Molten Material Damage	\$50,000	\$	28



60. Windblown Debris	\$10,000	\$ 28
61. Worldwide Property Off-Premises	\$75,000	\$ 28
<b>B. Coverages Included within the Blanket Limit of Insurance:</b>		
<b>Blanket Limit of Insurance</b>	<b>\$500,000</b>	

The Blanket Limit of Insurance shown above applies to all Coverages shown in **Section III. B.** of this Endorsement. At the time of loss, you may elect to apportion this Blanket Limit of Insurance to one or any combination of the Coverages shown, but under no circumstances will the aggregate apportionment be permitted to exceed the Blanket Limit of Insurance shown above. The Blanket Limit of Insurance applies per "occurrence".

	<b>Amended Limits of Insurance</b>	<b>Page</b>
1. Accounts Receivable	\$	28
2. Deferred Payments	\$	29
3. Fine Arts	\$	29
4. Fire Department Service Charge	\$	30
5. Movement of Property	\$	30
6. Outdoor Property	\$	30
7. Personal Effects & Property of Others	\$	31
8. Research and Development Documentation	\$	31
9. Valuable Papers and Records (Other Than Electronic Data)	\$	32

## II. DEDUCTIBLE

We will not pay for covered loss or damage in any one "occurrence" unless the amount of loss or damage exceeds the deductible amount shown in the Declarations of this Policy. We will then pay the amount of loss or damage in excess of the Deductible, up to the Limit of Insurance for all applicable coverages listed under **SECTION I – COVERAGES**. No deductible applies to coverages where specifically designated.

## III. COVERED PROPERTY

### A. Scheduled Coverages

#### 1. Additional Covered Property

- a. The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

#### **Additional Covered Property**

- (1) You may extend the insurance that applies to your Business Personal Property to also include "theft" or attempted "theft" of your patterns, dies, molds and forms.
- b. **C. Limitations**, Paragraph **3.** of Causes of Loss – Special Form CP 10 30 is replaced by the following:
3. The special limit shown for each category **a.** through **e.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one "occurrence" of "theft", regardless of the types or number of articles that are lost or damaged in that "occurrence". The special limits

are:

- a. \$10,000 for furs, fur garments and garments trimmed in fur.
- b. \$10,000 for jewelry, watches, watch movements, jewels and pearls. This limit does not apply to jewelry and watches worth \$100 or less per item.
- c. \$35,000 for precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals.
- d. \$5,000 for patterns, dies, molds and forms owned by others. This special limit does not apply to those patterns, dies, molds and forms owned by you or for which you are responsible under written contract existing before loss.
- e. \$1,000 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income coverage or to Extra Expense coverage.

All other provisions of **C. Limitations** of Causes of Loss – Special Form CP 10 30 remain unchanged.

## 2. Brands & Labels

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### Brands & Labels

- (1) If Covered Property that has a brand or label is damaged by a Covered Cause of Loss and we elect to take all or any part of the damaged property at an agreed or appraised value, you may extend the insurance that applies to Your Business Personal Property to:

- (a) Pay expenses you incur to:

(i) Remove the brand or label and then re-label the damaged property to comply with any applicable law; or

(ii) Label or stamp the damaged property as Salvage, if doing so will not physically damage the property.

- (b) Cover any reduction in the salvage value of the damaged property as a result of the removal of the brand or label.

- (2) Payment under this Extension is included within the Limit of Insurance applicable to your Business Personal Property.

## 3. Broadened Building Coverage

- a. The following is added to **A. Coverage**, Paragraph **1. Covered Property**, subparagraph **a. Building** of Building and Personal Property Coverage Form CP 00 10:

- (6) Foundations of machinery, tanks and their component parts including all connections which are below:

- (a) The lowest basement floor; or  
(b) The surface of the ground, if

there is no basement.

- (7) Your personal property in apartments or rooms furnished by you as landlord;

- (8) The following property if it is located on or within 2000 feet of a covered building or structure:

(a) Exterior lighting fixtures or poles;

(b) Yard fixtures;

(c) Fences; and

(d) Retaining Walls whether or not attached to the building

- (9) Signs, whether or not they are attached to covered buildings or structures;

- (10) Building glass, including skylights, glass doors and windows, and their encasement frames, alarm tape, lettering and ornamentation;

- (11) Your new buildings while being built on or within 2000 feet of the described premises; and

- (12) Driveways, patios and walks.

- b. Under **C. Limits of Insurance** of Building and Personal Property Coverage Form CP 00 10, the \$2,500 limitation on outdoor signs is deleted.

## 4. Broadened Business Personal Property

- a. The following is added to **A. Coverage**, Paragraph **1. Covered Property**, subparagraph **b. Your Business Personal Property** of Building and Personal Property Coverage Form CP 00 10:

- (8) Property of others that is in your care, custody or control;

- (9) "Scientific & professional equipment";

- (10) Building glass you have a contractual responsibility to insure;

- (11) "Installation, tools & equipment property"; and

- (12) Patterns, molds & dies.

- b. **A. Coverage**, Paragraph **1. Covered Property**, subparagraph **c. Personal Property of Others** of Building and Personal Property Coverage Form CP 00 10, is deleted.

## 5. Building Limit – Inflation Guard

The following is added to **C. Limits of**

**Insurance** of Building and Personal Property Coverage Form CP 00 10:

**Building Limit – Inflation Guard**

We will pay either the actual cash value or the replacement cost value, based on the valuation method shown in the Declarations, of the damaged portion of the building at the time of loss, but not more than 115% of the Limit of Insurance for Building if:

- a. The amount of any loss covered by this policy exceeds the Limit of Insurance for Building stated in the Declarations for the damaged Building; and
- b. The actual repair or replacement is completed within one year of the date of loss.

**6. Business Income & Extra Expense from Dependent Properties**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

**Business Income & Extra Expense from Dependent Properties**

- (1) We will pay the actual loss of business income you sustain due to the necessary “suspension” of your “operations” during the “dependent property period of restoration”. The “suspension” must be caused by direct physical loss of or damage to “dependent property” caused by or resulting from a Covered Cause of Loss.
- (2) We will pay the actual and necessary Extra Expense you incur due to direct physical loss of or damage to “dependent property” caused by or resulting from a Covered Cause of Loss.
- (3) Under this Additional Coverage, the definition of Extra Expense is replaced with the following:  
Extra Expense means necessary expenses you incur during the “dependent property period of restoration” that you would not have incurred if there had been no direct physical loss or damage to the premises of any “dependent property” caused by or resulting from a Covered Cause of Loss:  
(a) To avoid or minimize the

“suspension” of business and to continue “operations”; or

- (b) To minimize the “suspension” of business if you cannot continue “operations”.
- (4) For Business Income coverage under this Additional Coverage, the Coverage Territory for “dependent property” is expanded to all parts of the world.
- (5) We will reduce the amount of your:
  - (a) Business income loss, other than extra expense, to the extent you can resume “operations” in whole or in part by using any other available:
    - (i) Source of materials; or
    - (ii) Outlet for your products
  - (b) Extra Expense loss to the extent you can return “operations” to normal and discontinue such extra expense.
- (6) The most we will pay under this Additional Coverage is \$150,000 per “occurrence” regardless of the number of “dependent properties” that are involved, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (7) The amount payable under this Additional Coverage is additional insurance.

**7. Catastrophe Allowance**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Catastrophe Allowance**

- (1) This Coverage Extension applies when the direct physical loss or damage to Covered Property is the result of an insured event for which Property Claims Service has publicly designated a catastrophe number to the event.
- (2) You may extend the insurance provided under this Coverage Form if the limits provided under **C. Limits of Insurance** of Building and Personal Property Coverage Form CP 00 10 are insufficient to compensate you for covered loss or damage you incur as a result of the insured Catastrophe event.

(3) This Coverage Extension may not be applied to the deductible amount of this policy or any other policy. It also may not be used to cover any loss or damage that would not be covered under this policy.

(4) The most we will pay under this Extension in any one "occurrence" is \$50,000.

The most we will pay under this Extension during each separate 12 month period of this policy is \$50,000.

#### **8. Computer and Funds Transfer Fraud**

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Computer and Funds Transfer Fraud**

(1) We will pay for loss of and damage to "money", "securities" and "other property" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described "banking premises":

(a) To a person (other than a messenger) outside those banking premises; or

(b) To a place outside those premises.

(2) The most we will pay for loss of "money" and "securities" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "money" and "securities" from your "transfer account" is \$15,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, regardless of the number of "fraudulent instructions" involved.

#### **9. Consequential Loss to Stock**

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Consequential Loss to Stock**

(1) You may extend the insurance that applies to Your Business Personal Property to apply to the reduction in value of the remaining parts of "stock" in process of manufacture that are physically undamaged but are

unmarketable as a complete product because of direct physical loss or damage from a Covered Cause of Loss to other parts of covered "stock" in process of manufacture at an insured location.

(2) Should it be determined that such "stock" retains only a salvage value, we retain the option of paying the full value of the "stock" as agreed within this policy, and taking the damaged property for salvage purposes.

(3) Payment under this Coverage Extension is included within the applicable Limit of Insurance.

#### **10. Contract Penalties**

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Contract Penalties**

(1) We will pay for contractual penalties you are required to pay due to your failure to provide your product or service according to contract terms because of direct physical loss or damage by a Covered Cause of Loss to Covered Property.

(2) The most we will pay for all penalties in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(3) The amount payable under this Additional Coverage is additional insurance.

#### **11. Debris Removal**

a. **A. Coverage Paragraph 4. Additional Coverages**, subparagraph **a.(4)** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

##### **(4) Debris Removal**

We will pay up to an additional \$250,000 for debris removal expense, for each location, in any one "occurrence" of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage

exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

- (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

If (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$250,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

- b. **A. Coverage Paragraph 4. Additional Coverages**, subparagraph a.(5) of Building and Personal Property Form CP 00 10 is deleted:

## 12. Denial of Access to Premises

The following is added to **A. Coverage**, Paragraph **5. Additional Coverages** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581:

### Denial of Access to Premises

- (1) We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur when ingress to or egress from the described premises is prevented, due to direct physical loss of or damage to property that is away from but within 2000 feet of the described premises, caused by or resulting from any Covered Cause of Loss covered under this policy.
- (2) The coverage for Business Income will begin 72 hours after the loss or damage to the premises that causes the denial of access and will apply for a period of up to 30 consecutive days after coverage begins.
- (3) The coverage for Extra Expense will begin immediately after the loss or damage to the premises that causes the denial of access and will end:
  - (a) 30 consecutive days after

coverage begins; or

- (b) When your Business Income coverage ends;

whichever is earlier.

## 13. E-Commerce

### a. Electronic Vandalism – Direct Damage

- (1) **A. Coverage**, Paragraph **2. Property Not Covered**, subparagraph n. of Building and Personal Property Coverage Form CP 00 10 is deleted.

- (2) **A. Coverage**, Paragraph **4. Additional Coverages**, subparagraph f. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

### f. Electronic Vandalism – Direct Damage

We cover direct physical loss or damage to covered “computer equipment” at the described premises caused by “electronic vandalism”.

### b. Electronic Vandalism - Interruption of Computer Operations

- (1) **A. Coverage**, Paragraph **4. Additional Limitation – Interruption of Computer Operations** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage – Actual Loss Sustained 411-0581 is deleted.

- (2) **A. Coverage**, Paragraph **5. Additional Coverages**, subparagraph d. of Business Income (and Extra Expense) Coverage Form CP 00 30, and Business Income (and Extra Expense) Coverage – Actual Loss Sustained 411-0581 is replaced by the following:

### d. Electronic Vandalism – Interruption of Computer Operations

You may extend the insurance that applies to Business Income & Extra Expense to apply to a “suspension” of “operations” caused by an interruption in computer



operations at the described premises due to "electronic vandalism" originating anywhere in the world.

We will only pay for loss of Business Income or Extra Expense that occurs during the "period of restoration".

- c. The most we will pay for all loss or damage from both Electronic Vandalism – Direct Damage and Electronic Vandalism – Interruption of Computer Operations in any one "occurrence" is \$10,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- d. The amount payable under this Additional Coverage is additional insurance.
- e. **Special E-Commerce Exclusions**

We do not cover:

- (1) Loss of proprietary use of any "electronic data" or "proprietary programs" that have been copied, scanned, or altered;
- (2) Loss of or reduction in economic or market value of any "electronic data" or "proprietary programs" that have been copied, scanned, or altered; and
- (3) Theft from your "electronic data" or "proprietary programs" of confidential information through the observation of the "electronic data" or "proprietary programs" by accessing covered "computer equipment" without any alteration or other physical loss or damage to the records or programs. Confidential information includes, but is not limited to, customer information, processing methods, or trade secrets.

#### 14. Electronic Data Processing Equipment

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Electronic Data Processing Equipment**

- (1) We will pay for direct physical loss or damage to the following Covered Property which is your property or property in your care, custody or control:

(a) "Computer equipment"; and

(b) Programming documentation and instruction manuals.

- (2) We will also cover the necessary extra expenses you incur to avoid or minimize the suspension of business and to continue "operations" because of direct physical loss or damage to covered property.

- (3) The following Exclusions do not apply to this Additional Coverage:

(a) Earth Movement; and

(b) Water.

- (4) We will not pay for any loss to the following property:

(a) Property you rent, loan or lease to others while it is away from the described premises; or

(b) Property you hold for sale, distribute or manufacture.

- (5) Payment under this Additional Coverage is included within the Limit of Insurance applicable to your Business Personal Property.

#### (6) Special Electronic Data Processing Equipment Exclusions

We do not cover:

(a) Any extra expense caused by an error or omission in programming or incorrect instructions to "hardware";

(b) Direct physical loss to covered property caused by:

(i) "Electrical disturbance";

(ii) "Power supply disturbance;";

(iii) "Computer virus"; or

(iv) "Computer hacking".

#### 15. Employee Theft including ERISA Compliance

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Employee Theft including ERISA Compliance**

- (1) We will pay for loss or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", clergy, or any non-compensated person whether identified or not, acting alone



or in collusion with other persons.

For the purposes of this Additional Coverage, "theft" shall also include "forgery".

- (2) This Additional Coverage terminates as to any "employee" as soon as:

- (a) You; or
- (b) Any of your partners, "members", "managers", officers, directors or trustees not in collusion with the "employee";

"Discovered" the "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

- (3) Under this Additional Coverage, "occurrence" means:

- (a) An individual act;
- (b) The combined total of all separate acts whether or not related; or
- (c) A series of acts whether or not related;

Committed by an "employee" acting alone or in collusion with other persons, during the policy period, before such policy period or both.

- (4) We will pay only for loss you sustain through acts committed or events occurring anytime which is "discovered" by you:

- (a) During the policy period; or
- (b) No later than 1 year from the date of termination or cancellation of this insurance. However this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this Additional Coverage, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

- (5) You may extend this coverage to apply to loss caused by any "employee" while temporarily outside the Coverage Territory for a period of not more than 90 days.

- (6) The most we will pay for all loss resulting directly from an "occurrence" is \$100,000 or the Limit of Insurance

shown in the Amended Limits Section of this Endorsement. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year.

- (7) The amount payable under this Additional Coverage is additional insurance.

#### **(8) Special Employee Theft Exclusions**

We will not pay for:

- (a) Loss resulting from "theft" or any other dishonest act committed by:

- (i) You; or
- (ii) Any of your partners or "members";

Whether acting alone or in collusion with other persons.

- (b) Loss caused by an "employee" if the "employee" has also committed "theft" or any other dishonest act prior to the effective date of this policy and you or any of your partners, "managers", officers, directors or trustees, not in collusion with the "employee", learned of that "theft" or dishonest act prior to the policy period shown in the Declarations.

- (c) Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:

- (i) Whether acting alone or in collusion with other persons; or
- (ii) While performing services for you or others;

Except when covered under this Additional Coverage.

- (d) Loss that is an indirect result of an "occurrence" covered by this Additional Coverage, including, but not limited to, loss resulting from:

- (i) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property";
- (ii) Payment of damages of any type for which you are legally liable;

(iii) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this Additional Coverage.

(e) Fees, costs and expenses incurred by you which are related to any legal action.

(f) Loss or that part of any loss, the proof of which as to its existence or amount is dependent upon

(i) An inventory computation; or

(ii) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

(g) Loss resulting from trading, whether in your name or in a genuine or fictitious account.

(h) Loss resulting from fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.

(i) Loss resulting from:

(i) The unauthorized disclosure of your confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or

(ii) The unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information, credit card information or similar no public information.

**(9) Welfare and Pension Plan ERISA Compliance**

(a) The "employee benefit plan" (hereafter referred to as Plan) is included as an insured under this Additional Coverage.

(b) If any Plan is insured jointly with any other entity under this

Additional Coverage, you or the Plan Administrator must select a Limit of Insurance for this Additional Coverage that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required if each Plan were separately insured.

(c) With respect to loss sustained or "discovered" by any such Plan, Paragraph (1) above is replaced with the following:

We will pay for loss of or damage to "funds" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

(d) If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.

(e) If two or more Plans are insured under this Additional Coverage, any payment we make for loss:

(i) Sustained by two or more Plans; or

(ii) Of commingled "funds" or "other property" of two or more Plans;

Resulting from an "occurrence", will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total Limit of Insurance of all Plans sustaining loss.

(f) The Deductible does not apply to this Additional Coverage.

**16. Employee Tools and Work Clothing**

The following is added to **A. Coverage**, Paragraph 4. **Additional Coverages** of Business and Personal Property Coverage Form CP 00 10:

**Employee Tools and Work Clothing**

(1) We will pay for direct physical loss of or damage to tools and work clothing of your "employees" damaged by a Covered Cause of Loss while such tools and work clothing are located at an insured location, your job sites or while "in transit" to and from your job

sites, while in your vehicle.

- (2) The most we will pay for loss or damage under this Additional Coverage is \$25,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, but not more than \$500 for any one tool or item of clothing. The amount payable under this Additional Coverage is additional insurance.
- (3) The Coinsurance condition does not apply to this Additional Coverage.

#### 17. Expediting Expense

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Expediting Expense

- (1) When a Covered Cause of Loss occurs to Covered Property, we will pay for the reasonable and necessary additional expenses you incur to:
  - (a) Make temporary repairs;
  - (b) Expedite permanent repair or replacement of damaged property; or
  - (c) Provide training on replacement machines or equipment.
- (2) The most we will pay for loss under this Additional Coverage in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) The amount payable under this Additional Coverage is additional insurance.

#### 18. Extended Business Income

**A. Coverage, Paragraph 5. Additional Coverages**, subparagraphs **c.(1)(b)** and **(2)(b)** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage form – Actual Loss Sustained 411-0581 are replaced by the following:

- (1)(b) Ends on the earlier of:
  - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or

- (ii) 180 consecutive days after the date determined in **(1)(a)** above.

#### (2)(b) Ends on the earlier of:

- (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would general the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
- (ii) 180 consecutive days after the date determined in **(2)(a)** above.

#### 19. Extended Coverage on Property – within 2000 feet

Under the Building and Personal Property Coverage Form CP 00 10, Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581 all provisions that limit the location of property to "within 100 feet" of a described premise are replaced with "within 2000 feet" of a described premise.

#### 20. Extra Expense

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Extra Expense

- (1) When a Covered Cause of Loss occurs to Covered Property at a location described in the declarations, we will pay for the reasonable and necessary extra expense you incur to continue as nearly as possible your normal business operations following the covered loss or damage.
- (2) The most we will pay for loss under this Additional Coverage in any one "occurrence" is \$300,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) The amount payable under this Additional Coverage is additional insurance.
- (4) No deductible applies to this coverage.

#### 21. Fire Protection Equipment Recharge

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage

Form CP 00 10:

### **Fire Protection Equipment Recharge**

- (1) We will pay expenses you incur to recharge or refill your fire protection equipment due to the leakage or discharge:
  - (a) To prevent or control loss;
  - (b) Accidentally; or
  - (c) As a result of malfunction of the equipment.
- (2) The Deductible does not apply to this Additional Coverage. Payment under this Additional Coverage is included within the applicable Limit of Insurance.

## **22. Food Contamination**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### **Food Contamination**

- (1) If your business at the described premises is ordered closed by the Board of Health or any other governmental authority as a result of the discovery of "food contamination", we will pay:
  - (a) Your expense to clean your equipment as required by the Board of Health or any other governmental authority;
  - (b) Your cost to replace the food which is, or is suspected to be contaminated;
  - (c) Your expense to provide necessary medical tests or vaccinations for your infected "employees". However, we will not pay for any expense that is otherwise covered under a Workers' Compensation Policy;
  - (d) The loss of Business Income you sustain due to the necessary "suspension" of your "operations". The coverage for Business Income will begin 24 hours after you receive notice of closing from the Board of Health or any other governmental authority; and
  - (e) Additional Advertising expenses you incur to restore your reputation.
- (2) The most we will pay for all loss under

Paragraphs **(1)(a)** through **(1)(d)**, including Business Income is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

The most we will pay for all loss under Paragraph **(1)(e)** is \$3,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

## **(3) Special Food Contamination Exclusion**

We will not pay any fines or penalties levied against you by the Board of Health or any other governmental authority as a result of the discovery of food contamination at the described premises.

## **23. Forgery or Alteration**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### **Forgery or Alteration**

- (1) We will pay for loss resulting directly from "forgery" or alteration of checks, credit cards, debit cards, charge cards, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:
  - (a) Made or drawn by or drawn upon you; or
  - (b) Made or drawn by one acting as your agent;
 or that are purported to have been made or drawn.
- (2) If you are sued for refusing to pay any instrument covered in paragraph **(1)** above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense.
- (3) Under this Additional Coverage, any loss:
  - (a) Caused by any one or more persons; or
  - (b) Involving a single act or series of related acts;
 is considered one "occurrence" regardless of the number of checks, credit cards, debit cards, charge cards, drafts, promissory notes, or

similar written promises, orders or directions involved.

**(4) Special "Forgery" or Alteration Exclusion**

This Additional Coverage does not apply to:

Loss arising from any credit, debit or charge card if you have not complied fully with the provisions, conditions or other terms under which the card was issued.

- (5)** The most we will pay for loss, including legal expenses, resulting directly from an "occurrence" under this Additional Coverage is \$30,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, but not more than \$1,000 for any loss arising from any credit, debit or charge card forgery or "Alteration". Regardless of the number of years this policy remains in force or the number or premiums paid, no Limit of Insurance cumulates from year to year. The Deductible does not apply to this Additional Coverage.

- (6)** The amount payable under this Additional Coverage is additional insurance.

**24. Foundations & Underground Pipes**

- a.** The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Foundations & Underground Pipes**

- (1)** You may extend the insurance that applies to Building to apply to loss or damage to:

- (a)** Foundations of buildings, structures, machinery or boilers if their foundations are below:

- (i)** The lowest basement floor; or

- (ii)** The surface of the ground, if there is no basement;

- (b)** Underground pipes, flues and drains; and

- (c)** The cost of excavating, grading, backfilling or filling

when such loss or damage is caused by a Covered Cause of Loss.

- (2)** The most we will pay for loss under this Coverage Extension is the applicable building Limit of Insurance.

- (3)** Payment under this Addition Coverage is included within the applicable Limit of Insurance.

- b. A. Coverage, Paragraph 2. Property Not Covered**, subparagraphs **f.**, **g.**, and **m.** of Building and Personal Property Coverage Form CP 00 10, do not apply to this coverage.

**25. International Air Shipments**

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**International Air Shipments**

- (1)** You may extend the insurance that applies to your Business Personal Property and Personal Property of Others that we ship to apply to that property; while being shipped by air:

- (a)** Anywhere within the Coverage Territory to or from a location outside of the coverage territory; or

- (b)** Between locations outside of the coverage territory;

- (2)** This coverage extension only applies to the shipment of your property which originates and terminates at a location specified in the air waybill.

- (3)** The most we will pay for loss or damage under this Extension in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(4) Special International Air Shipments Exclusion**

This Extension does not apply to:

Business Personal Property if there is other insurance in force covering the same loss.

**26. Inventory & Loss Appraisal**

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Inventory and Loss Appraisal**

- (1)** We will pay all reasonable expenses you incur at our request to assist us in:



- (a) The investigation of a claim;
  - (b) The determination of the amount of loss, such as taking inventory; or
  - (c) The cost of preparing specific loss documents and other supporting exhibits.
- (2) Expenses you incur include costs charged to you by others, including property managers, acting on your behalf to assist us with item (1) above.
- (3) The Deductible does not apply to this Extension.
- (4) Regardless of the number of described premises involved, the most we will pay under this Extension for loss or damage in any one "occurrence" is \$250,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(5) Special Inventory and Loss Appraisal Exclusions**

We will not pay for expenses:

- (a) Incurred to perform your duties in the event of loss under **E. Loss Conditions** of Building and Personal Property Coverage Form CP 00 10;
- (b) To prove that loss or damage is covered;
- (c) Billed by and payable to independent or public adjusters, attorneys or any of their affiliated or associated entities;
- (d) To prepare claims not covered by this policy; or
- (e) Incurred under any Appraisal provisions within the policy.

**27. Key Replacement & Lock Repair**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Key Replacement & Lock Repair**

- (1) You may extend the insurance provided under this Coverage Form to cover the reasonable and necessary expense you incur due to a covered "theft" for:
- (a) Replacement of keys if they are stolen;
  - (b) Lock repair; or

- (c) Rekeying, replacing or reprogramming undamaged locks to accept new keys or entry codes when the building security has been compromised.

- (2) The most we will pay under this Extension is \$20,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement. The Deductible does not apply to this Extension.

**28. Lease Cancellation**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

**Lease Cancellation**

- (1) We will pay the actual loss of business income you sustain due to the cancellation of a lease by your tenants in a Covered Building due to untenability that is caused by direct physical loss or damage to that building from a Covered Cause of Loss.

This Additional Coverage only applies if at the time of loss the building was occupied and business was being conducted by the tenant canceling the lease or their sub-lessee; or a lease was signed but the building was not yet occupied by the tenant.

- (2) We will pay for loss of business income that you sustain after tenantability is restored and until the earlier of:
- (a) The date you lease the premises to another tenant; or
  - (b) 12 months immediately following the "period of restoration".

- (3) The amount payable under this Additional Coverage is additional insurance.

- (4) Regardless of the number of tenants canceling a lease at the described premises, the most we will pay under this Additional Coverage is \$50,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(5) Special Lease Cancellation Exclusions**

We will not pay for:

- (a) Lease cancelled after the "period



of restoration”;

- (b) Lease cancelled, suspended or allowed to lapse by you;
- (c) Return of pre-paid rent or security and other deposits made by tenants; or
- (d) Lease cancelled at the normal expiration date.

## 29. Leasehold Interest – Tenants

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages**, of Building and Personal Property Coverage Form CP 00 10:

### Leasehold Interest – Tenants

- (1) We will pay for the loss of prepaid rent you sustain due to the cancellation of your written lease. The cancellation must result from direct physical loss or damage to property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.
- (2) This Additional Coverage only applies if at the time of loss you were occupying and conducting business at the described premises.
- (3) The amount payable under this Additional Coverage is additional insurance.
- (4) The most we will pay for loss in any one “occurrence” is the lesser of:
  - (a) The unused pro-rata portion of prepaid rent based on the period of time remaining in your lease, which you have paid at the described premises where your lease was cancelled; or
  - (b) \$150,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

### (5) Special Leasehold Interest Exclusion

We will not pay for:

- (a) Lease cancelled, suspended or allowed to lapse by you; or
- (b) Lease cancelled at the normal expiration date.

## 30. Marring & Scratching

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

## Marring & Scratching

- (1) You may extend the insurance that applies to Business Personal Property to apply to damage caused directly by sudden and accidental marring and scratching of:
  - (a) Your “stock”;
  - (b) Your printing plates; or
  - (c) Property of others that is in your care, custody or control.
- (2) This Extension does not apply to:
  - (a) Property at other than the described premises; or
  - (b) Property in transit.
- (3) Payment under this Extension is included within Limit of Insurance applicable to your Business Personal Property.

## 31. Money & Securities

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### Money & Securities

- (1) We will pay for loss of “money” and “securities” while:
  - (a) Inside the described premises;
  - (b) At a “banking premises”;
  - (c) Temporarily within your living quarters or the living quarters of any other member, volunteer; or
  - (d) “employee” having use and custody of the property; or
  - (e) “In transit” between (1)(a), (1)(b), or (1)(c)
 that results directly from:
  - (f) “theft”; or
  - (g) Disappearance or destruction.
- (2) Under this Additional Coverage, all loss:
  - (a) Caused by one or more persons; or
  - (b) Involving a single act or series of related acts;
 is considered one “occurrence”.
- (3) You must keep records of all “money” and “securities” so we can verify the amount of any one loss or damage.
- (4) The amount payable under this

Additional Coverage is additional insurance.

- (5) The most we will pay for loss in any one "occurrence" is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(6) Special Money & Securities Exclusions**

We will not pay for loss:

- (a) Resulting from accounting or arithmetic errors or omissions;
- (b) Resulting from giving or surrendering of property in any exchange or purchase; or
- (c) Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- (d) Loss or damage to "money" and "securities" following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the described "banking premises":
  - (i) To a person (other than a messenger) outside those premises; or
  - (ii) To a place outside those premises.

**32. Money Orders & Counterfeit Money**

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

**Money Orders & Counterfeit Money**

- (1) We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:
  - (a) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
  - (b) "Counterfeit money" that is acquired during the regular course of business.
- (2) The most we will pay for loss in any one "occurrence" is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

- (3) The amount payable under this Additional Coverage is additional insurance.

**33. Newly Acquired or Constructed Property**

**A. Coverage, Paragraph 5. Coverage Extensions**, subparagraph **a.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**a. Newly Acquired or Constructed Property**

**(1) Buildings**

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$2,000,000 at each building or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**(2) Business Personal Property**

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
  - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
  - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or

The most we will pay for loss or damage under this

Extension is \$1,000,000 at each building or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(b) This Extension does not apply to:

(i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or

(ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) This insurance may not be used to increase your Business Personal Property Limit. It does not apply to personal property you acquire as part of your usual customary business dealings whether or not such acquisition was related to anticipated seasonal demands. Under the terms of this policy, such property is not considered newly acquired, but falls within the provisions for Business Personal Property.

#### (4) Period of Coverage

With respect to insurance provided under this Coverage Extension for newly Acquired or Constructed Property, coverage will end when any of the following first occurs:

(a) This policy expires;

(b) 180 days after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

(c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

### 34. Newly Acquired Locations – Business Income & Extra Expense

#### A. Coverage, Paragraph 6. Coverage

**Extension** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581, **Newly Acquired Locations** is replaced by the following:

#### Newly Acquired Locations

a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.

b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$250,000 at each location or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

(1) This policy expires;

(2) 180 days expire after you acquire or begin to construct the property; or

(3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

### 35. Non-Owned Detached Trailers

**A. Coverage, Paragraph 5. Coverage Extensions**, subparagraph **f. Non-Owned Detached Trailers**, item (3) of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

(3) The most we will pay for loss or damage under this Extension is \$25,000, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

### 36. Ordinance or Law

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

#### Ordinance or Law

(1) This Additional Coverage applies only to buildings which are insured on a Replacement Cost basis.

#### (2) Application of Coverage

This Additional Coverage applies only if both (a) and (b) below are satisfied and are then subject to the

qualifications set forth in **(c)**.

**(a) The Ordinance or Law:**

- (i)** Regulates the construction or repair of a building or structure, or establishes zoning or land use requirements at the described premises;
- (ii)** Requires the demolition of undamaged parts of a covered building or structure that is damaged or destroyed by a Covered Cause of Loss; and
- (iii)** Is in force at the time of loss.

But coverage under this Additional Coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this coverage.

- (b) (i)** The building sustains direct physical damage that is covered under this Policy and such damage results in enforcement of or compliance with the ordinance or law; or
- (ii)** The building sustains both direct physical damage that is covered under this Policy and direct physical damage that is not covered under this Policy, and the building damage in its entirety results in enforcement of or compliance with the ordinance or law.
- (iii)** But if the building sustains both direct physical damage that is covered under this Policy and direct physical damage that is not covered under this Policy, and the damage that is not covered is the subject of the ordinance or law, then there is no coverage under this Additional Coverage.
- (c)** In the situation described in **(b)(ii)** above, we will not pay the full amount of loss otherwise payable under the terms of coverages for Coverage for Loss to Undamaged portion of the Building, Demolition Cost Coverage or Increased Cost

of Construction Coverage. Instead, we will only pay the proportion that covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage alone would have resulted in enforcement of the ordinance or law, then we will pay the full amount of the loss otherwise payable under the terms of Coverage for Loss or Damage to the Undamaged Portion of the Building, Demolition Cost Coverage or Increased Cost of Construction Coverage.

- (3)** We will not pay under this Additional Coverage for the costs associated with the enforcement of any ordinance or law which requires an insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

**(4) Coverage**

**(a) Loss to Undamaged Portion of the Building**

With respect to the building that has sustained covered direct physical damage; we will pay for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building. Coverage for Loss to the Undamaged Portion of the Building is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Coverage does not increase the Limit of Insurance.

**(b) Demolition Cost**

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of the undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

**(c) Increased Cost of Construction**

With respect to the building that has sustained covered direct physical damage; we will pay the increased cost to:

- (i) Repair or reconstruct damaged portions of that buildings; and/or
- (ii) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

When the increased cost is a consequence of enforcement of or compliance with the minimum requirements of the ordinance or law.

However:

This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

**(5) Loss Payment**

- (a) The following loss payment provisions are subject to the apportionment procedure set forth in Section **m.2.(c)** of this Additional Coverage.
- (b) When there is a loss in value of an undamaged portion of the building to which Coverage for Loss to the Undamaged Portion of the building applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
  - (i) If the property is repaired or replaced on the same premises, we will not pay more than the lesser of:
    - 1) The amount you actually spend to repair, rebuild or reconstruct the building,

but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

- 2) The Limit of Insurance shown in the Declarations as applicable to the covered building.
- (ii) If the property is not repaired or replaced, we will not pay more than the lesser of:
  - 1) The actual cash value of the building; or
  - 2) The Limit of Insurance shown in the Declarations as applicable to the covered building.
- (c) The most we will pay for the total of all covered losses for Demolition Cost and Increased Cost of Construction is the Limit of Insurance shown below. Subject to this combined Limit of Insurance, the following loss payment provisions apply:
  - (i) For Demolition Cost, we will not pay for more than the amount you actually spend to demolish and clear the site of the described premises.
  - (ii) For Increased Cost of Construction:
    - 1) We will not pay for the increased cost of construction:
      - a) Until the property is actually repaired or replaced, at the same or another premises; and
      - b) Unless the repairs or replacement are made as soon as possible after the loss or damage, not to exceed two years.
    - 2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will



pay for the increased cost of construction is the increased cost of construction at the same premises.

(iii) The most we will pay for loss under Demolition Cost and Increased Cost of Construction for each building is \$500,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(iv) Under this endorsement we will not pay for loss due to any ordinance or law that:

- 1) You were required to comply with before the loss, even if the building was undamaged; and
- 2) You failed to comply with

### **37. Pollutant Clean-Up and Removal**

**A. Coverage, Paragraph 4. Additional Coverages**, subparagraph d. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

#### **d. Pollutant Clean-Up and Removal**

- (1) We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.
- (2) This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants".
- (3) But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.
- (4) The most we will pay under this Additional Coverage for each described premises is \$100,000, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, for the sum of all covered expenses arising out

of Covered Causes of Loss occurring during each separate 12-month period of this policy.

- (5) This Additional Coverage is an additional amount of insurance.

### **38 Preservation of Property**

**A. Coverage, Paragraph 4. Additional Coverage**, subparagraph b. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

#### **b. Preservation of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 90 days after the property is first moved.

### **39. Preservation of Property – Expense**

The following is added to **A. Coverage, Paragraph 4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

#### **Preservation of Property – Expense**

- (1) If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay your expenses to move or store the Covered Property.
- (2) This coverage applies for 90 days after the property is first moved, but does not extend past the date on which this policy expires.
- (3) The most we will pay under this Additional Coverage is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) Additional Coverage The amount payable under this is additional insurance.

### **40. Property in Transit**

**F. Additional Coverage Extensions**, Paragraph 1. of Causes of Loss – Special Form CP 10 30 is replaced by the following:

#### **1. Property in Transit**



- a. You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to your property or property of others that is in your care, custody or control while "in transit".
- b. You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to outgoing shipments that have been rejected, while in due course of transit back to you or while awaiting return shipment to you.
- c. This Extension applies to the property while:
  - (1) In a vehicle owned, leased or operated by you; or
  - (2) In the custody of a common carrier or contract carrier.
- d. The following Exclusions do not apply to this Extension:
  - (1) Earth Movement; and
  - (2) Water.
- e. The most we will pay for loss or damage under this Extension is \$100,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- f. This Coverage Extension is additional insurance.
- g. **Special Property in Transit Exclusions**  
This Extension does not apply to:
  - (1) Shipments that belong to others that you are transporting for a fee;
  - (2) Salesperson's samples; or
  - (3) Loss to "perishable stock" resulting from a breakdown of refrigeration equipment on any vehicle owned, leased or operated by you or while in the custody of a common or contract carrier.

#### 41. Property Off Premises

**A. Coverage, Paragraph 5. Coverage Extensions, subparagraph d. of Building**

and Personal Property Coverage Form CP 00 10, is replaced by the following:

#### d. Property Off Premises

- (1) You may extend the insurance that applies to Business Personal Property while:
  - (a) Temporarily at a location you do not own, lease or operate; or
  - (b) At any fair, trade show or exhibition.
- (2) The most we will pay for loss or damage under this Extension is \$150,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) **Special Property Off Premises Exclusion**  
This extension does not apply to property:
  - (a) In or on a vehicle; or
  - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

#### 42. Prototypes

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

#### Prototypes

- (1) You may extend the insurance that applies to your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to "prototypes" related to your "research and development operations" that:
  - (a) You own; or
  - (b) Are owned by others and in your care, custody or control; while at a described premises.
- (2) We will not pay for loss or damage to "prototypes" until you actually replicate such property. Repairs or replication must be made as soon as reasonably possible after the loss or damage, but in no event later than two years after the loss or damage unless we grant an extension in writing prior to the expiration of the two year period.

- (3) Payment under this Extension is included within your Business Personal Property Limit of Insurance.

#### **43. Rewards – Arson, Theft, Vandalism**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages**, of Building and Personal Property Coverage Form CP 00 10:

##### **Rewards – Arson, Theft, Vandalism**

- (1) We will reimburse you for payment of any reward offered on your behalf and for information that leads to the arrest and conviction of the person or persons responsible for:
  - (a) Arson;
  - (b) "Theft"; or
  - (c) Vandalism
 to Covered Property.
- (2) The arrest or conviction must involve a covered loss caused by arson, "theft" or vandalism.
- (3) The most we will pay under this Additional Coverage is \$75,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement. The amount we pay is not increased by the number of persons involved in providing the information.
- (4) The amount payable under this Additional Coverage is additional insurance.
- (5) The deductible does not apply to this Additional Coverage.

#### **44. Sales Representative Samples**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Sales Representative Samples**

- (1) We will pay for direct physical loss or damage by a Covered Cause of Loss to samples of your "stock" in trade (including containers) while:
  - (a) In the custody of your sales representative, agent or any "employee" who travels with sales samples;
  - (b) In your custody while acting as a sales representative; or
  - (c) "In transit" between the described premises and your sales

representatives.

- (2) The following Exclusions do not apply to this Additional Coverage:
  - (a) Earth Movement; and
  - (b) Water.
- (3) The most we will pay for any loss or damage under this Additional Coverage is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) The amount payable under this Additional Coverage is additional insurance.
- (5) We will not pay for loss to the following property:
  - (a) Property which has been sold;
  - (b) Jewelry, precious or semiprecious stones, gold, silver, platinum or other precious metals or alloys;
  - (c) Fur, fur garments of garments trimmed with fur; or
  - (d) Any property while waterborne.

#### **(6) Special Sales Representative Sample Exclusion**

We do not cover loss resulting from "theft" from an unattended vehicle, except when it is securely locked its windows are fully closed, and there is visible evidence that entry into the vehicle was forced.

#### **45. Seasonal Increase – Business Personal Property**

The following is added to **A. Coverage**, Paragraph **5 Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Seasonal Increase – Business Personal Property**

- (1) The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations in your business.
- (2) This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lessor of:
  - (a) The 12 months immediately preceding the date the loss or damage occurs; or
  - (b) The period of time you have been in business as of the date the loss

or damage occurs

#### 46. Sewer Backup

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Sewer Backup**

(1) We will pay for direct physical loss or damage to Covered Property at the described premises, solely caused by or resulting from water or waterborne material carried or moved by water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment. The term drain includes a roof drain and its related fixtures.

(2) Payment under this Additional Coverage is included within the applicable Limit of Insurance for Covered Property at the location of loss or damage.

##### **(3) Special Sewer Backup Exclusion**

We will not pay for:

- (a) Loss or damage from water or other materials that back-up or overflow from any sewer or drain, sump, sump pump or related equipment when it is caused by or results from any "flood", regardless of the proximity of the back-up or overflow to the "flood" condition; or
- (b) Failure to keep a sump pump or its related equipment in proper working condition; or
- (c) Failure to perform routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

#### 47. Soft Costs

The following is added to **A. Coverage**, Paragraph **5 Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Soft Costs**

(1) We will pay the actual "soft cost expenses" that arise out of a delay in the construction, erection or fabrication of a Covered Building that is listed in paragraphs **A.1.a.(5)** of Building and Personal Property Coverage Form CP 00 10 and Section **III.A.3.a.(11)** of this

endorsement resulting from direct physical loss or damage to that Covered Building from a Covered Cause of Loss.

(2) We will only pay the necessary "soft cost expenses" that are over and above those costs that would have been incurred had there been no delay.

(3) The most we will pay under this Extension in any one "occurrence" is \$25,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

#### 48. Temporary Relocation of Property

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Temporary Relocation of Property**

(1) We will pay for loss of or damage to Covered Property from a Covered Cause of Loss while it is away from the described premises, if it is being stored temporarily at a location you do not own, lease or operate while the described premises is being renovated or remodeled.

(2) This coverage applies for 90 days after the property is first moved, but does not extend past the date on which this policy expires.

(3) The most we will pay under this Additional Coverage is \$100,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(4) The amount payable under this Additional Coverage is additional insurance.

#### 49. Tenant Glass

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Tenant Glass**

(1) If glass in a building you occupy, but do not own, is damaged, we will pay for direct physical loss of or damage to glass.

(2) This insurance includes replacement of lettering, artwork, ornamentation, sensors or other items permanently affixed to, or a part of a building at an

insured location.

- (3) For coverage to apply, the glass must be in your care, custody or control and repairs must be made at your expense.
- (4) We will also pay for necessary:
  - (a) Expenses incurred to put up temporary plates or board up openings when repair or replacement of the damaged glass is delayed;
  - (b) Repair or replacement of encasing frames; and
  - (c) Expenses incurred to remove or replace obstructions to repair or replace the damaged glass.

This does not include the cost of removing, replacing or rebuilding window displays.

- (5) Paragraph **B. Exclusions** of Causes of Loss Special Form CP 10 30 does not apply to this Additional Coverage, except for:

- (a) Paragraph **B.1.b. Earth Movement**;
- (b) Paragraph **B.1.c. Governmental Action**;
- (c) Paragraph **B.1.d. Nuclear Hazard**;
- (d) Paragraph **B.1.f War & Military Action**; and
- (e) Paragraph **B.1.g. Water**.
- (6) We will not pay for loss or damage caused by or resulting from:
  - (a) Wear and tear;
  - (b) Hidden or latent defect;
  - (c) Corrosion; or
  - (d) Rust;

whatever its origin or cause.

- (7) The most we will pay for loss or damage in an "occurrence" under this Additional Coverage is \$15,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (8) The amount payable under this Additional Coverage is additional insurance.

#### 50. Tenant Relocation

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of

Building and Personal Property Coverage Form CP 00 10:

#### Tenant Relocation

- (1) In the event that your tenants must temporarily vacate the covered Building at the described premises due to untenability caused by direct physical loss or damage by a Covered Cause of Loss, we will pay the following expenses you actually incur to move those tenants out of and back into your covered Building.
- (2) We will only pay for the following expenses:
  - (a) Packing, transporting and unpacking the tenant's Business Personal Property including the cost of insuring the move out and back and any necessary disassembly and reassembly or setup of furniture and equipment; and
  - (b) The net cost to discontinue and re-establish the tenants' utility and telephone services, after any refunds due the tenants.
- (3) We will only pay for these expenses that you actually incur within 60 days of the date that the damaged buildings has been repaired or rebuilt.
- (4) Regardless of the number of tenants' involved, the most we will pay in any one "occurrence" is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

#### 51. Theft Damage to Building

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

#### Theft Damage to Building

- (1) You may extend the insurance that applies to your Business Personal property to apply to direct physical loss or damage to:
  - (a) That part of the non-owned building where you are a tenant; and
  - (b) Non-owned equipment within the building used to maintain or service the building;

Caused by or resulting from "theft" or attempted "theft".

- (2) This Extension applies only to a premise where you are a tenant and to this premises and non-owned equipment only if you have a contractual obligation to insure.
- (3) Payment under this extension is included within the Limit of Insurance applicable to your Business Personal property.
- (4) We will pay nothing if others pay for the repairs or replacement.

## **52. Transit Business Income & Extra Expense**

The following is added to **A. Coverage**, Paragraph **5. Additional Coverages** of Business Income (and Extra Expense) Coverage Form CP 00 30 and Business Income (and Extra Expense) Coverage Form – Actual Loss Sustained 411-0581:

### **Transit Business Income & Extra Expense**

- (1) We will pay the actual loss of Business Income you sustain and necessary and reasonable Extra Expense you incur caused by direct physical loss of or direct physical damage to Covered Property while “in transit” caused by or resulting from a Covered Cause of Loss.
- (2) The following Exclusions do not apply to this Additional Coverage:
  - (a) Earth Movement; and
  - (b) Water.
- (3) The most we will pay for loss in any one “occurrence” under this Additional Coverage is \$75,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) The amount payable under this Additional Coverage is additional insurance.

## **53. Undamaged Tenants Improvements and Betterments**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### **Undamaged Tenants Improvements and Betterments**

- (1) You may extend the insurance that applies to your Business Personal Property to apply to your use as a tenant in the undamaged portion of

Improvements and Betterments due to the cancellation of your written lease:

- (a) Made part of the building or structure you occupy but do not own; and
  - (b) You acquired but cannot legally remove.
- (2) The cancellation must result from:
- (a) Direct physical loss or damage to a building at premises described in the Declarations caused by or resulting from any Covered Cause of Loss
- (3) We will determine the proportionate value of Undamaged Tenants Improvements and Betterments as Follows:
- (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
  - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (4) The most we will pay for loss or damage under this Extension in any one “occurrence” is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
  - (5) The amount payable under this Coverage Extension is additional insurance.

## **54. Underground Water Seepage**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### **Underground Water Seepage**

- (1) We will pay for direct physical loss or damage to Covered Property at the described premises, caused by or resulting from water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces; or



(b) Basements, whether paved or not.

- (2) The most we will pay for loss in any one "occurrence" under this Additional Coverage is \$50,000.
- (3) The amount payable under this Additional Coverage is additional insurance.

#### **55. Unintentional Property Reporting Errors**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

#### **Unintentional Property Reporting Errors**

- (1) If "you" unintentionally failed to report or describe a location to "us", coverage provided by this policy will not be invalid. However, "you" must report such errors or omission to "us" in writing as soon as you discover them. "You" also agree to pay the additional premium that would have been earned by "us" if the location was correctly reported to "us".
- (2) This Additional Coverage only applies to direct loss or damaged caused by a Covered Cause of Loss at the omitted location and does not include any coverage for the perils of flood or earthquake even if flood and earthquake coverage is purchased for this or another policy.
- (3) You must provide reasonable documentation and clear and convincing evidence explaining the cause of the oversight.
- (4) For any location you have failed to report to us, this coverage will end when any of the following first occurs:
  - (a) This policy expires; or
  - (b) You report values to us.
- (5) The most we will pay for any loss under this Additional Coverage in any one policy period regardless of the number of occurrences or reporting errors or omissions is \$500,000.
- (6) The amount payable under this Additional Coverage is additional insurance.
- (7) This Additional Coverage does not apply to a loss that is covered under **Newly Acquired or Constructed Property** coverage.

#### **56. Unnamed Locations**

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

#### **Unnamed Locations**

- (1) You may extend the insurance that applies to your Business Personal Property to apply to direct physical loss or damage, caused by a Covered Cause of Loss, to your property or property of others that is in your care, custody or control while it is at other than a described location, but located within the Coverage Territory.

#### **(2) Special Unnamed Locations Exclusions**

This Extension does not apply to:

- (a) Loss or damage caused directly or indirectly by "Flood" or Earthquake, even when these Causes of Loss are added to this policy by endorsement.
- (b) Loss or damage covered under the following Additional Coverages or Extensions:
  - (i) Property in Transit
  - (ii) Sales Representatives Samples; or
  - (iii) Property on Exhibition.
- (c) Any property that is covered under this Coverage Part or policy, or any other policy, whether collectible or not.
- (3) The most we will pay for loss or damage in any one "occurrence" under this Extension of Coverage is \$150,000, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement, regardless of the number of unnamed locations.

#### **57. Utility Services**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

#### **Utility Services**

- (1) We will pay for loss of or damage to Covered Property caused by an interruption in service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property



not on the described premises that provides the services shown below in paragraph (3).

The most we will pay for loss in any one "occurrence" under this Additional Coverage is \$100,000 at each described premises or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

- (2) We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur caused by the interruption of service at the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to property not on the described premises that provides the services shown below in paragraph (3).

We will only pay for loss you sustain after the first 24 hours following the direct physical loss or damage to the property described above.

The most we will pay for loss in any one "occurrence" under this Additional Coverage is \$100,000 at each described premises or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

(3) Services:

- (a) Water Supply Services, meaning the following types of property supplying water to the described premises:
- (i) Pumping stations; and
  - (ii) Water mains.
- (b) Communication Supply Services, meaning the following types of property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
- (i) Communication transmission lines, including optic fiber transmission lines;
  - (ii) Coaxial cables; and
  - (iii) Microwave radio relays except satellites.
- (c) Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:

- (i) Utility generating plants;
- (ii) Switching stations;
- (iii) Substations;
- (iv) Transformers; and
- (v) Transmission lines.

Services under this Additional Coverage do not include overhead transmission lines that deliver utility services to you. Overhead transmission lines include, but are not limited to:

- (vi) Overhead transmission and distribution lines;
- (vii) Overhead transformers and similar equipment; and
- (viii) Supporting poles and towers.

- (4) As used in this additional coverage, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

- (5) This coverage is not an additional amount of insurance.

- (6) Coverage under this Additional Coverage for loss or damage to Covered Property does not apply to loss or damage to "electronic data", including destruction or corruption of "electronic data".

**(7) Special Utility Services Exclusion**

Coverage under this Additional Coverage does not include loss of "perishable goods" due to "spoilage" that results from:

- (a) Complete or partial lack of electrical power; or
- (b) Fluctuation of electrical current.

**58. Voluntary Parting**

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

**Voluntary Parting**

- (1) We will pay for loss or damage to covered property when you or your "employees" are fraudulently induced to part with Covered Property to or by:
- (a) Persons who falsely represent themselves as the proper persons to receive the property; or

(b) Acceptance of fraudulent bills of lading or shipping receipts.

- (2) The most we will pay under this additional coverage is \$50,000 for any one "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

#### **59. Water Damage, Other Liquids, Powder or Molten Material Damage**

**F. Additional Coverage Extensions,** Paragraph 2. of Causes of Loss – Special Form CP 10 30 is replaced by the following:

##### **2. Water Damage, Other Liquids, Powder or Molten Material Damage**

- a. If loss or damage caused by or resulting from covered water damage or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure, or, in the case of underground pipes, lawns, shrubs or paved areas, to repair damage to the system or appliance from which the water or other substance escapes.
- b. Payment under this Additional Coverage is included within the applicable Limit of Insurance. The maximum we will pay for loss or damage to lawns, shrubs or paved areas is \$50,000 per "occurrence" or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**THIS IS NOT FLOOD INSURANCE OR PROTECTION FROM AN INUNDATION OF SURFACE WATER, HOWEVER CAUSED.**

#### **60. Windblown Debris**

The following is added to **A. Coverage**, Paragraph 5. **Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Windblown Debris**

- (1) We will pay your reasonable expenses to remove the windblown debris (including trees) from the described premises, if it is carried to the described premises from the premises of others by wind, during the policy period.
- (2) The most we will pay in any one

"occurrence" in total for the removal of all windblown debris under this Extension is \$10,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

#### **61. Worldwide Property Off-Premises**

The following is added to **A. Coverage**, Paragraph 5. **Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Worldwide Property Off-Premises**

- (1) You may extend the insurance that applies to your Business Personal Property and Personal Property of Others to apply to that property while it is temporarily outside the coverage territory if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) Temporarily on display or exhibit at any fair, trade show or exhibition;
  - (c) Samples of your "stock" in trade in the custody of your sales representatives; or
  - (d) While "in transit" between the described premises and a location described in (a), (b) or (c) above.
- (2) The most we will pay for loss or damage under this Extension is \$75,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) This Extension provides an additional amount of insurance.

#### **B. Coverages Included within the Blanket Limit of Insurance**

##### **1. Accounts Receivable**

The following is added to **A. Coverage**, Paragraph 4. **Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Accounts Receivable**

- (1) We will pay for loss or damage caused by or resulting from a Covered Cause of Loss to your records of Accounts Receivable.  
Accounts Receivable means:
  - (a) All amounts due from your customers that you are unable to collect;
  - (b) Interest charges on any loan

required to offset amounts you are unable to collect pending our payment of these amounts;

- (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
  - (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable.
- (2) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

### (3) Special Accounts Receivable Exclusions

We will not pay for loss or damage:

- (a) Caused by alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or "other property".  
This exclusion applies only to the extent of the wrongful giving, taking or withholding
- (b) Caused by bookkeeping, accounting or billing errors or omissions
- (c) That requires any audit of records or any inventory computation to prove its factual existence.

## 2. Deferred Payments

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 0010:

### Deferred Payments

- (1) We will pay for your interest in lost or damaged Personal Property sold by you under a conditional sale or trust agreement or any installment or deferred payment plan after delivery to buyers. The loss or damage must be caused by a Covered Cause of Loss.
- (2) When a total loss to that property occurs, deferred payments are valued on the amount shown on your books as due from the buyer.

When a partial loss to that property occurs and the buyer refuses to continue payment, forcing you to repossess, deferred payments are valued as follows:

- (a) If the realized or appraised value of the repossessed property is greater than or equal to the amount shown on your books as due from the buyer, we will make no payment; but
  - (b) If the realized value of the repossessed property is less than the amount shown on your books as due from the buyer, we will pay the difference.
- (3) When loss occurs and the buyer continues to pay you, there will be no loss payment.
- (4) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

## 3. Fine Arts

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### Fine Arts

- (1) We will pay for direct physical loss to "fine arts" which are your property or the property of others in your care, custody or control while on the described premises. We also cover your "fine arts" while temporarily on display or exhibit away from the described premises or while "in transit" between the described premises and a location where the "fine arts" will be temporarily on display or exhibit.
- (2) The following Exclusions do not apply to this Additional Coverage:
  - (a) Earth Movement; and
  - (b) Water.
- (3) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this

Endorsement.

- (4) The amount payable under this Additional Coverage is additional insurance.

**(5) Special Fine Arts Exclusion**

We will not pay for any loss caused by or resulting from:

- (a) Breakage of statuary, glassware, bric-a-brac, marble, porcelain and similar fragile property. But we will pay if the loss or damage is caused directly by a "specified cause of loss", earthquake or flood; and
- (b) Any repairing, restoration or retouching of the "fine arts".

**4. Fire Department Service Charge**

**A. Coverage, Paragraph 4. Additional Coverages**, subparagraph c. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**c. Fire Department Service Charge**

- (1) When the fire department is called to save or protect Covered Property from a Covered Loss, we will pay your actual expenses for your liability for fire department service charges at each described premises.
- (2) This Additional Coverage applies to your liability for fire department service charges:
  - (a) Assumed by contract or agreement prior to loss; or
  - (b) Required by local ordinance.
- (3) No deductible applies to this Additional Coverage.
- (4) The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" at each described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (5) Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

**5. Movement of Property**

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

**Movement of Property**

- (1) You may extend the insurance that applies to Covered Property to apply to direct physical loss or damage from a Covered Cause of Loss to your Business Personal Property from an insured location which has been deleted from this policy if:
  - (a) You moved Covered Property from the deleted location to a new premises; and
  - (b) A Limit of Insurance for the new premises has been added to this policy; and
  - (c) The direct physical loss or damage occurs to Covered Property at the prior insured location before the movement of property to the new premises is completed.
- (2) Insurance under this Coverage Extension will end when any of the following first occurs:
  - (a) The movement of property to the new premises is completed; or
  - (b) 30 days after the effective date of the endorsement adding the new premises.
- (3) Regardless of the number of described premises involved, the most we will pay under this Extension for loss or damage in any one "occurrence" is subject to the Blanket Coverage Limit of Insurance, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**6. Outdoor Property**

**A. Coverage, Paragraph 5. Coverage Extensions**, subparagraph e of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**e. Outdoor Property**

- (1) You may extend insurance provided by this Coverage Form to apply to your radio and television antennas (including satellite dishes), trees, shrubs, plants and lawns which are "stock" or are a part of a vegetated roof, including

debris removal expense, caused by or resulting from any of the following causes of loss:

- (a) Fire;
  - (b) Windstorm;
  - (c) Hail;
  - (d) Lightning;
  - (e) Explosion;
  - (f) Riot or Civil Commotion;
  - (g) Vandalism;
  - (h) Aircraft or Vehicles;
  - (i) Theft; or
  - (j) Falling Objects.
- (2) Coverage under this Extension does not apply to property held for sale by you.
- (3) We will not pay more than \$1,000 for loss or damage to any one tree, shrub or plant under this Extension.
- (4) Regardless of the number of described premises involved, the most we will pay under this Extension for loss or damage in any one "occurrence" is subject to the Blanket Coverage Limit of Insurance, or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

## 7. Personal Effects & Property of Others

**A. Coverage, Paragraph 5. Coverage Extensions, subparagraph b.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

### **b. Personal Effects & Property of Others**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to:
- (a) Personal effects owned by you, your officers, your partners or members, your managers or officers, your directors, your trustees or your employees.
  - (b) Personal property of others in your care, custody or control.
- (2) We will not pay more than \$5,000 in total for loss or damage for any one person, in any one "occurrence". Our payment for

loss or damage to personal property of others will only be for the account of the owner of the property. No deductible applies to this Extension.

- (3) Regardless of the number of persons involved, the most we will pay under this Extension is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

## 8. Research and Development Documentation

The following is added to **A. Coverage, Paragraph 5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### **Research and Development Documentation**

- (1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage, resulting from a Covered Cause of Loss, to "research and development documentation" that you own or that is in your care, custody or control at a described premises.
- (2) Paragraph **B. Exclusions** of Causes of Loss – Special Form CP 10 30 do not apply to this Coverage Extension, except for:
- (a) Paragraph **B.1.c. Governmental Action**;
  - (b) Paragraph **B.1.d. Nuclear Hazard**;
  - (c) Paragraph **B.1.f. War and Military Action**;
  - (d) Paragraph **B.2.h. Dishonesty**;
  - (e) Paragraph **B.2.i. False Pretense**; and
  - (f) Paragraph **B.3.**
- (3) This Coverage Extension does not apply to loss or damage caused by or resulting from:
- (a) Electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:
    - (i) Programming errors or faulty machine instructions; or
    - (ii) Faulty installation or



maintenance of data processing equipment or component parts.

- (b) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the direct loss or damage caused by the fire or explosion;
  - (c) Erasure of "research and development documentation"; or
  - (d) Unauthorized instructions to transfer property to any person or place.
- (4) Coverage provided by this Extension does not apply to "research and development documentation" which exist as "electronic data".
- (5) We will not pay for loss or damage to "research and development documentation" until you actually replicate such documentation. Repairs or replication must be made as soon as reasonably possible after the loss or damage, but in no event later than two years after the loss or damage unless we grant an extension in writing prior to the expiration of the two-year period.
- (6) We will not pay for loss or damage to "research and development documentation" applicable to:
- (a) Products that are obsolete;
  - (b) Existing products you have withdrawn from the market; or
  - (c) Existing products you have not sold in the last twelve months prior to the loss.
- (7) Regardless of the number of insured locations involved, the most we will pay under this Extension for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- 9. Valuable Papers and Records (Other Than Electronic Data)**
- A. Coverage, Paragraph 5. Coverage Extensions,** subparagraph **c.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**c. Valuable Papers and Records (Other Than Electronic Data)**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by a Covered Cause of Loss. This Extension includes the cost to research, replace or restore the lost information that previously existed on "valuable papers and records" for which duplicates do not exist.
- (2) The following Exclusions do not apply to this Coverage Extension:
  - (a) Earth Movement; and
  - (b) Water.
- (3) The most we will pay under this Extension for loss or damage in any one "occurrence" at a described premises is subject to the Blanket Coverage Limit of Insurance or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

**IV. VALUATION**

**A. E. Loss Conditions, Paragraph 7. Valuation,** subparagraph **b.** of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

- b.** If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering;
- (3) Outdoor equipment or furniture; or
- (4) Retaining walls.

**B.** The following is added to **E. Loss Conditions,**



Paragraph 7. **Valuation** of Building and Personal Property Coverage Form CP 00 10:

- f. "Valuable papers and records" at the cost of restoration or replacement, including the cost of data entry, re-programming, computer consultation services and the media on which the data or programs reside. To the extent that the contents of the "valuable papers and records" are not replaced or restored, the "valuable papers and records" will be valued at the cost of blank materials for reproducing the records and the labor to transcribe or copy the records when there is a duplicate.
- g. "Money" at its face value.
- h. "Securities" at their value at the close of business on the day the loss is discovered.
- i. Accounts Receivable:
  - (1) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
    - (a) We will determine the total of the average monthly amounts of accounts receivable for the 12 months preceding the month in which loss or damage occurs; and
    - (b) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
  - (2) The following will be deducted from the total amount of accounts receivable, however that amount is established:
    - (a) The amount of the accounts for which there is no loss or damage;
    - (b) The amount of the accounts that you are able to re-establish or collect; an amount to allow for probable bad debts that you are normally unable to collect;
    - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
    - (d) All unearned interest and service charges.
- j. Property "in transit" (other than "stock" you have sold) at the amount of invoice, including your prepaid or advanced freight charges and other charges which may

have accrued or become legally due since the shipment. If you have no invoice, actual cash value will apply.

- k. "Hardware":
  - (1) "Hardware" that is replaced will be at the cost of replacing the "hardware" with new equipment that is functionally comparable to the "hardware" that is being replaced.
  - (2) "Hardware" that is not replaced will be at actual cash value at the time of loss.
  - (3) In no event will we pay more than the reasonable cost of restoring partially damaged "hardware" to its condition directly prior to the damage.
- l. "Software":
  - (1) "Programs and applications" will be at the cost to reinstall the "programs and applications" from the licensed discs that were originally used to install the programs or applications.  
If the original licensed discs are lost, damaged, or can no longer be obtained, the value of "programs and applications" will be based on the cost of the most current version of the "programs or applications".
  - (2) "Proprietary programs" will be at the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies.  
If duplicate copies do not exist, the value of "proprietary programs" will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost "proprietary programs".
  - (3) "Electronic data" will be at the cost of reproduction from duplicate copies. The cost of reproduction includes, but is not limited to, the cost of labor to copy or transcribe from duplicate copies.  
If duplicate copies do not exist, the value of "electronic data" will be based on the cost of research or other expenses necessary to reproduce, replace, or restore lost files, documents and records.
  - (4) "Media" will be at the cost to repair or replace the "media" with material of the same kind or quality.

**m. "Fine Arts"**

We will pay the lesser of:

- (1) The market value at the time of loss or damage;
- (2) The reasonable cost of repair or restoration to the condition immediately before the covered loss or damage; or
- (3) The cost of replacement with substantially identical property.

For pairs or sets, we will either:

- (a) Repair or replace any part to restore the value and condition of the pair or set to that immediately before the covered loss or damage; or
- (b) Pay the difference between the value of the pair or set before and after the covered loss or damage.

**n. Property of Others** – our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

**o.** We may elect to defend you against suits arising from claims of owners or property. We will do this at our expense.

**p.** Labor, materials and services that you furnish or arrange on personal property of others are valued based on the actual cost of the labor, materials and services.

**q.** Finished "stock" you manufactured at the selling price less discounts and expenses you otherwise would have had.

**r. "Prototypes"**

We will not pay more than the lesser of the following amounts:

- (1) The replacement cost of such property used for the same product, but only if replacement cost is shown as applicable to Personal Property in the Declarations.

However, when replacement with identical property is impossible or unnecessary, the amount of loss will be based on the cost to replace with similar property used to perform the same functions. Property of others will be valued in the same manner, but we

will not pay more than the amount for which you are legally liable; or

- (2) The amount you actually spend to repair or replace lost or damaged "prototypes" used for the same purpose.

**s. "Research and development documentation":**

We will not pay more than the least of the following amounts:

- (1) Your cost actually spent to reproduce lost or damaged "research and development documentation" from back-up files or original source documents;
- (2) The reasonable cost necessary to research, repair, restore, recreate, reconstitute, reproduce or replace "research and development documentation", used for the same product, to their condition immediately before the loss or damage;
- (3) If identical "research and development documentation" cannot be purchased, the cost to purchase such documentation of comparable kind, functionality and quality; or
- (4) The amount you actually spend to research, repair, restore, recreate, reconstitute, reproduce or replace "research and development documentation", used for the same product.

But we will not pay more than the cost to restore "research and development documentation" to its condition immediately prior to the loss.

## **V. DEFINITIONS**

The following is added to Paragraph **H.** of Building and Personal Property Coverage Form CP 00 10:

### **H. Definitions**

1. "Antiques" means an object having value because its:
  - a. Craftsmanship is in the style or fashion of former times; and
  - b. Age is 100 years or older.
2. "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
3. "Communicable disease" means a bacterial micro-organism transmitted through human contact with food.

4. "Computer equipment" means:
  - a. "Hardware" owned by you or in your care, custody or control;
  - b. "Software"; or
  - c. "Protection and control equipment".
5. "Computer hacking" means an unauthorized intrusion by an individual or group of individuals, whether employed by you or not, into "hardware" or "software", a Web site, or a computer network and that results in but is not limited to:
  - a. Deletion, destruction, generation, or modification of "software";
  - b. Alteration, contamination, corruption, degradation, or destruction of the integrity, quality or performance of "software";
  - c. Observation, scanning, or copying of "electronic data", "programs and applications", and "proprietary programs";
  - d. Damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media" used with "hardware"; or
  - e. Denial of access to or denial of services from "hardware", "software", computer network, or Web site including related "software".
6. "Computer Virus" means the introduction into "hardware", "software", computer network, or Web site of any malicious, self-replicating electronic data processing code or other code and that is intended to result in, but is not limited to:
  - a. Deletion, destruction, generation, or modification of "software";
  - b. Alteration, contamination, corruption, degradation, or destruction of the integrity, quality, or performance of "software";
  - c. Damage, destruction, inadequacy, malfunction, degradation, or corruption of any "hardware" or "media" used with "hardware"; or
  - d. Denial of access to or denial of services from "hardware", "software", computer network, or Web site including related "software".
7. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.
8. "Denial of service attack" means the malicious direction or a high volume of worthless inquiries to Website or e-mail destinations, effectively denying or limiting legitimate access regardless of whether or not damage to "computer equipment" results.
9. "Dependent property" means property operated by others whom you depend on to:
  - a. Deliver materials or services to you, or to others for your account. But any property which delivers any of the following services is not a dependent property with respect to such services:
    - (1) Water supply services;
    - (2) Power supply services; or
    - (3) Communication supply services, including services relating to Internet access or access to any electronic network;
  - b. Accept your products or services;
  - c. Manufacture products for delivery to your customers under contract of sale; or
  - d. Attract customers to your business.
10. "Dependent property period of restoration" means the period of time that:
  - a. Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the "dependent property"; and
  - b. Ends on the date when the property at the premises of the "dependent property" should be repaired, rebuilt or replaced with reasonable speed and similar quality.

"Dependent property period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

  - c. Regulates the construction, use or repair, or requires the tearing down, of any property; or
  - d. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "dependent property period of restoration".
11. "Discover" or "Discovered" means:

- a. The time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this policy has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details may not be known.
  - b. "Discover" or "Discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this policy.
12. "Electrical disturbance" means electrical or magnetic damage, disturbance of electronic recordings, or erasure of electronic recordings.
13. "Electronic data" means files, documents, information and "programs and applications" in an electronic format and that are stored on "media".
14. "Electronic vandalism" means "computer hacking", "computer virus" or a "denial of service attack". "Electronic vandalism" does not include the theft of any property or services.
15. "Employee" means:
- a. Any natural person:
    - (1) While in your service and for the first 30 days immediately after termination of service;
    - (2) Who you compensate directly by salary, wages or commissions; and
    - (3) Who you have the right to direct and control while performing services for you;
  - b. Any natural person who is furnished temporarily to you:
    - (1) To substitute for a permanent "employee" as defined in paragraph a.(1), who is on leave; or
    - (2) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the premises;
  - c. Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary "employee" as defined in paragraph a.(2);
  - d. Any natural person who is:
    - (1) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; and
    - (2) A director or trustee of yours while that person is engaged in handling "funds" or "other property" of any "employee benefit plan";
  - e. Any natural person who is a former "employee", partner, "manager", director or trustee retained as a consultant while performing services for you;
  - f. Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody or property outside the described premises;
  - g. Any "employee" of an entity merged or consolidated with you prior to the effective date of this policy; or
  - h. Any of your "managers", directors or trustees while:
    - (1) Performing acts within the scope of the usual duties of an "employee"; or
    - (2) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf.

"Employee" does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph 15. of this section.
16. "Employee benefit plan" means any welfare or pension benefit plan shown that you sponsor and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.



17. "Fine arts" means paintings, etchings, pictures, tapestries, rare art glass, art glass windows, valuable rugs, statuary, sculptures, "antique" jewelry, bric-a-brac, porcelains and similar property of rarity, historical value or artistic merit.
18. "Flood" means a general and temporary condition of partial or complete inundation of normally dry land areas due to:
  - a. The overflow of inland or tidal waters;
  - b. The unusual or rapid accumulation of runoff of surface waters from any source; or
  - c. Mudslides or mudflows which are caused by flooding as defined in **b.** above. For the purpose of this Covered Cause of Loss, a mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.
19. "Food contamination" means an incidence of food poisoning to one or more of your customers as a result of:
  - a. Tainted food you purchased;
  - b. Food which has been improperly stored, handled or prepared; or
  - c. A "communicable disease" transmitted through one or more of your "employees".
20. "Fraudulent instruction" means:
  - a. An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
  - b. A written instruction issued by you, which was forged or altered by someone other than you without your knowledge or consent or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
  - c. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an employee but which was in fact fraudulently transmitted by someone else without your or the employee's knowledge or consent
21. "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
22. "Funds" means "money" and "securities".
23. "Hardware" means a network of electronic machine components (microprocessors) capable of accepting instructions and information, processing the information according to the instructions, and producing desired results. "Hardware" includes but is not limited to:
  - a. Mainframe and mid-range computers and servers;
  - b. Personal computers and workstations;
  - c. Laptops, palmtops, notebook PCs, other portable computer devices and accessories including, but not limited to, multimedia projectors; and
  - d. Peripheral data processing equipment, including but not limited to, printers, keyboards, monitors, and modems.
24. "Installation, tools and equipment property" means:
  - a. Materials, supplies, machinery, fixtures and equipment that will become a permanent part of your installation while:
    - (1) Located at the site of installation;
    - (2) "In transit" by you to or from the described premises and the job site; or
    - (3) While in temporary storage awaiting installation.
  - b. Commercial tools and equipment usual to your business and used in your installation which are:
    - (1) Your property; or
    - (2) The property of others in your care, custody or control.

Commercial tools and equipment does not include:

    - (3) Aircraft or watercraft;
    - (4) Any property while waterborne, airborne or underground;
    - (5) Property you have loaned, rented or leased to others;
    - (6) Property that is permanently mounted to a vehicle; or
    - (7) Property held for sale.

25. "In transit" means in the course of shipment from or to the premises shown in the Declarations. It includes such shipments while temporarily stopped or delayed, incidental to the delivery.
26. "Manager" means a person serving in a directorial capacity for a limited liability company.
27. "Member" means an owner of a limited liability company represented by its membership interest who, if a natural person, may also serve as a "manager".
28. "Mechanical breakdown" means the malfunction or failure of moving or electronic parts, component failure, faulty installation, or blowout.
29. "Media" means an instrument that is used with "hardware" and on which "electronic data", "programs and applications", and "proprietary programs" can be recorded or stored. "Media" includes, but is not limited to, films, tapes, cards, discs, drums, cartridges, cells, DVDs, or CD-ROMs.
30. "Money" means:
- a. Currency, coins and bank notes in current use and having a face value; and
  - b. Travelers checks, register checks and money orders held for sale to the public.
31. "Occurrence" means all loss or damage that is attributable to:
- a. An act, event, cause or series of similar, related acts, events or causes involving one or more persons; or
  - b. An act, event, cause or series of similar, related acts, events or causes not involving any person.
32. "Operations" means your business activities occurring at the described premises.
33. "Other property" means tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, electronic data or any property specifically excluded under this policy.
34. "Perishable goods" means personal property:
- a. Maintained under controlled temperature or humidity conditions for preservation; and
  - b. Susceptible to loss or damage if the controlled temperature or humidity conditions change.
35. "Power supply disturbance" means interruption of power supply, power surge, blackout, or brownout.
36. "Programs and applications" means operating programs and applications that you purchase and that are:
- a. Stored on "media"; or
  - b. Pre-installed and stored in "hardware".
- Applications includes, but is not limited to, programs for word processing, spreadsheet calculations, and graphic design.
37. "Proprietary programs" means proprietary operating programs and applications that you developed or that you had developed specifically for use in your "operations" and that are:
- a. Stored on "media"; or
  - b. Installed and stored in "hardware".
38. "Protection and control equipment" means:
- a. Air conditioning equipment used exclusively in the operation of the "hardware";
  - b. Fire protection equipment used for the protection of the "hardware", including automatic and manual fire suppression equipment and smoke and heat detectors; and
  - c. Uninterruptible power supply system, line conditioner, and voltage regulator.
39. "Prototype" means an original version of a newly designed product that is an outcome of your "research and development operations". A "prototype" includes sample designs, experimental models or displays that are associated with or integral to the manufacture of the original version of a newly designed product.
40. "Rental value" means Business Income that consists of:
- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
  - b. Continuing normal operating expenses incurred in connection with that



premises, including:

(1) Payroll; and

(2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

41. "Research and development documentation" means written evidence of facts, information, processes, concepts or formulas that are directly related to the development of new products or enhancement of existing products. Written evidence includes written papers, plans, manuscripts, written or inscribed documents or plans.

"Research and development documentation" does not include "valuable papers and records", accounts receivable or "media", "software" or "data".

42. "Research and development operations" means your business activities that are directly related to the development of new products or the enhancement of existing products.

43. "Scientific and professional equipment" means medical, engineering, veterinary, measurement, recording, analyzing or similar equipment.

44. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you.

but does not include "money".

45. "Soft cost expenses" means additional:

- a. Realty taxes and other assessments that you incur for the period of time that construction has been extended beyond the projected completion date;
- b. Interest on money borrowed to finance construction, remodeling, renovation or repair; and
- c. Advertising, public relations and

promotional expenses.

46. "Software" means:

- a. "Media";
- b. "Electronic data";
- c. "Programs and applications"; and
- d. "Proprietary programs".

47. "Spoilage" means any detrimental change in physical state of "perishable goods". Detrimental change includes, but is not limited to, thawing of frozen goods, warming of refrigerated goods, solidification of liquid or molten material, chemical reactions to material in process, and reduction in value of time sensitive materials.

48. "Theft" means the unlawful taking of property to the deprivation of the insured.

49. "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "money" and "securities":

- a. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
- b. By means of written instructions establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

50. "Valuable papers and records" means:

- a. Inscribed, printed or written:
  - (1) Documents;
  - (2) Manuscripts; and
  - (3) Records
 including abstracts, books, deeds, drawings, films, maps or mortgages; and
- b. Similar items stored electronically.

But, "valuable papers and records" does not mean "money" or "securities".

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## MANUFACTURING PROPERTY BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS- SPECIAL FORM

This endorsement applies only to those locations for which a corresponding premium has been paid.

The following is added to **C. Limits of Insurance** of Building and Personal Property Coverage Form CP 00 10:

The limits applicable to the Coverages included in this endorsement may either be in addition to or included within the applicable Limits of Insurance. For application of the limits, refer to each coverage within this endorsement.

Refer to **SECTION V – DEFINITIONS** of this endorsement for additional words or phrases which appear in quotation marks that have special meaning.

### I. COVERAGES

#### A. Personal Property of Others Included

**A. Coverage**, Paragraph **1. Covered Property**, subparagraph **c. Personal Property of Others** of Building and Personal Property Coverage Form CP 00 10, is deleted and included as **A. Coverage**, Paragraph **1. Covered Property**, subparagraph **c.(8)**.

#### B. Scheduled Coverages

The coverages in this endorsement amend the coverage provided under the Building and Personal Property Coverage Form and Causes of Loss – Special Form through new coverages and substitute coverage grants. These coverages are subject to the provisions applicable to this policy, except where amended within this endorsement. If any of the property covered by this endorsement is also covered under any other provisions of the policy of which this endorsement is made a part, or if more than one coverage under this endorsement applies, in the event of loss or damage, you may choose only one of these coverages to apply to that loss. The most we will pay in this case is the limit of insurance applying to the coverage you select. Coverages included in this endorsement apply either separately to each described premises or on an "occurrence" basis. Refer to each coverage within this endorsement for application of coverage.

	Limit of Insurance	Amended Limits of Insurance	Page
1. Additional Covered Property	Included	N/A	2
2. Contract Cancellation	\$100,000	\$	2
3. Extended Warranty Coverage	\$75,000	\$	2
4. Molds, Dies, Patterns and Plates	Included	N/A	2
5. Processing Water	\$50,000	\$	3
6. Product Adulteration and Contamination	\$50,000	\$	3
7. Research and Development Expenses	\$250,000	\$	4
8. Research and Development – Extra Expense	\$250,000	\$	4
9. Spoilage			4
On Premises	\$100,000	N/A	
In Transit	\$10,000	N/A	

### II. DEDUCTIBLE

We will not pay for covered loss or damage in any one "occurrence" unless the amount of loss or damage exceeds the deductible amount shown in the Declarations of this Policy. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance for all coverages listed under **SECTION I – COVERAGES**. No deductible applies to coverages where specifically designated.

### III. COVERED PROPERTY

#### A. Scheduled Coverages

##### 1. Additional Covered Property

**C. Limitations**, Paragraph **3.** of Causes of Loss – Special Form CP 10 30 is replaced by the following:

The special limits Section **3.** under **C. Limitations** of the CP 10 30 is deleted and replaced by the following:

The special limit shown for category, **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one “occurrence” of “theft”, regardless of the types or number of articles that are lost or damaged in that “occurrence”. The special limits are:

- d.** \$50,000 for patterns, dies, molds and forms owned by others. This special limit does not apply to those patterns, dies, molds and forms owned by you or for which you are responsible under written contract existing before loss.

##### 2. Contract Cancellation

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Contract Cancellation**

- (1)** We will pay for the loss of business income you sustain during the first 12 months after the period of Restoration due to the cancellation of a contract by your customers but only if the reason for the cancellation is caused by or resulting from direct physical loss or damage to the premises by a Covered Cause of Loss during the policy period.
- (2)** We will not pay for:
  - (a)** A contract cancelled after the period of restoration;
  - (b)** A contract cancelled, suspended or allowed to lapse by you;
  - (c)** Any other consequential loss.
- (3)** The most we will pay in any one occurrence for all contracts cancelled is the lesser of:
  - (a)** The anticipated amount of income you would have received from the customer under the cancelled contract for 12 months immediately following the period of restoration in accordance with

the terms and conditions of the contract; or

- (b)** \$100,000.

- (c)** The Limit of Insurance shown in the Amended Limits Section of this Endorsement.

- (4)** All payments cease upon the date the current contract would have expired, regardless of any options for renewal, if the loss or damage had not taken place.
- (5)** The expiration of this policy will not shorten the duration of this coverage if the loss occurred during the policy period.
- (6)** The number of your customers canceling a contract due to a loss at a scheduled location will not increase the limit of insurance provided by this additional coverage.
- 7)** This is an additional amount of insurance.

##### 3. Extended Warranty Coverage

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### **Extended Warranty Coverage**

- (1)** If a covered cause of loss results in a direct total physical loss to property covered under this policy, at a premises shown in the Declarations, we will pay the un-used pro-rata portion of the non-refundable purchase price for extended warranties or service contracts which you purchased on such damaged property.
- (2)** The most we will pay for loss or damage in any one “occurrence” under this Additional Coverage is \$75,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

##### 4. Molds, Dies, Patterns and Plates

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

##### **Molds, Dies, Patterns and Plates**

- (1)** You may extend the insurance that applies to Your Business Personal Property to apply to damage caused directly by accidental marring or

scratching of:

- (a) Your molds, dies, patterns or plates while at the described premises;
  - (b) Your molds, dies, patterns or plates while at the premises of another who uses them to provide products or services to you;
  - (c) Molds, dies, patterns or plates of others while in your care, custody or control; or
  - (d) Your molds, dies, patterns or plates, or the molds, dies, patterns or plates of others if in your care custody or control, during transit.
- (2) Payment under this Coverage Extension is included with Your Business Personal Property Limit of Insurance.

#### 5. Processing Water

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

##### Processing Water

- (1) We will pay the cost that you incur to replace water that is used in your processing operations and contained in:
- (a) An above ground tank;
  - (b) Processing equipment; or
  - (c) Above ground piping associated with items (a) or (b) above
- when such water has been released or rendered unusable for its intended purpose as a result of a direct physical loss or damage to such tank, processing equipment or piping caused by a Covered Cause of Loss at a designated premises.
- (2) The most we will pay for any loss or damage under this Additional Coverage is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (3) The amount payable under this Additional Coverage is additional insurance.

##### (4) Special Processing Water Exclusion

We will not pay for loss involving any fire protection equipment.

#### 6. Product Adulteration and

#### Contamination

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form, CP 00 10:

##### Product Adulteration and Contamination

- (1) We will pay for direct physical loss or damage to "stock" at a described premises caused by adulteration or contamination provided such adulteration or contamination caused by or resulting from:
- (a) Accidental introduction of a foreign substance, agent or organism to the "stock", including any nesting or infestation; and
  - (b) Occurs during the processing or manufacture of the "stock" at a described premises; and
  - (c) Causes the "stock" to become diminished in value or use, including but not limited to diminished value or use due to change in color, finish, flavor, size or texture.
- (2) **Special Product Adulteration and Contamination Exclusion**
- We will not pay for loss or damage caused by or resulting from:
- (a) Rejection or disposal of "stock" because of quality control standards or local Board of Health requirements unless the reason the "stock" is rejected or disposed is because it was adulterated or contaminated as provided in 6.1 above; or
  - (b) Improper or faulty workmanship, design, specifications of materials; or
  - (c) Improper or faulty monitoring or testing for contaminants; or
  - (d) Improper blending of ingredients or use of contaminated ingredients; or
  - (e) Contamination by refrigerant or mechanical breakdown of any temperature or humidity control apparatus;
  - (f) The closure or quarantine of your business, by local Board of Health or similar authorities due to sickness among your employees,

unless the sickness causes the direct contamination or adulteration of "stock".

- (3) The most we will pay for loss or damage in any one "occurrence" under this Additional Coverage is \$50,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) We will not pay for costs and expenses involved in testing "stock" for adulteration or contamination.

## 7. Research and Development Expenses

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### Research and Development Expenses

- (1) If your "research and development operations" are suspended due to direct physical loss or damage, caused by a Covered Cause of Loss, to property directly related to your "research and development operations" and the loss is not covered under any other provisions of this policy, you may extend the insurance that applies to Business Income to cover ordinary payroll and loss of continuing fixed charges directly attributable to your development activities.
- (2) Research and development expenses are included in the limit of insurance for Business Income.
- (3) The most we will pay for loss or damage in any one "occurrence" under this Additional Coverage is \$250,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.
- (4) This coverage is included in and not in addition to the applicable limit of insurance.

## 8. Research and Development – Extra Expense

The following is added to **A. Coverage**, Paragraph **4. Additional Coverages** of Building and Personal Property Coverage Form CP 00 10:

### Research and Development – Extra Expense

- (1) We will pay the actual and necessary "Extra Expense" that you would not

have incurred if your "research and development operations" had not been suspended due to direct physical loss or damage, caused by a Covered Cause of Loss, to property directly related to your "research and development operations".

- (2) Under this Additional Coverage, the definition of "Extra Expense" is replaced with the following:

"Extra Expense" means necessary expenses you incur during the "research and development period of restoration" that you would not have incurred if there had been no direct physical loss or damage, caused by or resulting from a Covered Cause of Loss, to property directly involved in your "research and development operations":

- (a) To avoid or minimize the "suspension" of, and to continue your "research and development operations"; or
- (b) To minimize the "suspension" of your "research and development operations" if you cannot continue them.
- (3) The most we will pay for loss or damage in any one "occurrence" under this Additional Coverage is \$250,000 or the Limit of Insurance shown in the Amended Limits Section of this Endorsement.

## 9. Spoilage

The following is added to **A. Coverage**, Paragraph **5. Coverage Extensions** of Building and Personal Property Coverage Form CP 00 10:

### Spoilage

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage to your "perishable goods" at the described premises; or in a vehicle owned, leased or operated by you while in transit caused by or resulting from either of the following causes of loss:
  - (a) Breakdown or Contamination, meaning:
    - (i) On premises change in temperature or humidity resulting from mechanical breakdown or mechanical



failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; or

(ii) Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is in a vehicle owned, leased or operated by you while in "transit"; and

(iii) Contamination by the refrigerant.

(b) Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

(2) Coverage under this Extension does not apply to property located on buildings or in the open.

(3) The most we will pay for on premises loss or damage under this Extension in any one "occurrence" is \$100,000.

(4) The most we will pay for loss or damage to your perishable goods while "in Transit" under this Extension is \$10,000 in any one "occurrence."

**(5) Special Spoilage Exclusions**

We will not pay for loss or damage caused by or resulting from:

(a) The disconnection of any refrigerating, cooling or humidity control system from the source of power;

(b) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;

(c) The inability of an Electrical Utility Company or other power source to provide sufficient power due to:

(i) Lack of fuel; or

(ii) Governmental order.

(d) The inability of a power source at the described premises to provide

sufficient power due to lack of generating capacity to meet demand; or

(e) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit; or

(f) The failure to maintain adequate fuel levels for the refrigeration, cooling or humidity control apparatus or equipment in a vehicle; or

(g) Your or a service representatives failure to inspect a vehicles' refrigeration, cooling or humidity control apparatus or equipment at least quarterly; or

(6) Coverage Under this Extension will not apply unless:

(a) A record of each inspection of refrigeration, cooling or humidity control apparatus or equipment in a vehicle is retained and maintained for at least 24 consecutive months prior to the date of loss; and

(b) You provide us with all records.

**IV. BROADENED VALUATION CLAUSE**

**A. E. Loss Conditions, Paragraph 7. Valuation,** subparagraph a. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

a. At replacement cost without deduction for depreciation, except as provided otherwise in this Property Coverage Part.

(1) You may claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the date loss or damage.

(2) We will not pay on a replacement cost basis for any loss or damage:

(a) Until the lost or damaged property is actually repaired or replaced; and

(b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

(3) We will not pay more for loss or



damage on a replacement cost basis than the least of:

- (a) The Limit of Insurance applicable to the lost or damaged property;
- (b) The cost to replace, at the same location, the lost or damaged property with other property:
  - (i) Of comparable material and quality; and
  - (ii) Used for the same purpose; or
- (c) The amount you actually spend that is necessary to repair or replace the lost or damaged property – even if, when replacement is necessary, you choose to make use of other than new property to effect such replacement.

**B. E. Loss Conditions, Paragraph 7. Valuation,** subparagraph e. of Building and Personal Property Coverage Form CP 00 10 is replaced by the following:

**e. Tenant's Improvements and Betterments at:**

- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
- (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
  - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
  - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
- (c) When a written lease does not exist, instead of the method of calculating loss shown in **e.(2)(a)** and **(b)** above, we will determine the proportionate value of the improvements and betterments as follows:
  - (i) Multiply the original cost by 365 days; and
  - (ii) Divide the amount determined in **(a)** above by the number of days from the installation of improvements to 365 days

after the date of the "occurrence".

- (3) If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in the procedure described in **(2)** above.

- (4) Nothing, if others pay for repairs or replacement.

**C. The following is added to E. Loss Conditions, Paragraph 7. Valuation of Building and Personal Property Coverage Form CP 00 10:**

- t. The following property at actual cash value:**
  - (1) Used or second hand merchandise held in storage or for sale;
  - (2) Household contents, except personal property in apartments or rooms furnished by you as landlord;
  - (3) Manuscripts;
  - (4) Works of art, "antiques" or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; and
  - (5) Contractors equipment and tools
- u. Lottery tickets at their initial cost to you except for winning tickets, at their redeemed present cash value.**
- v. Data, media and computer "software" programs. For media, at the actual costs of repairing or replacing the media with material of like kind and quality. Data and computer "software" programs at the actual cost of reproducing the data or computer "software" program, providing you actually reproduce or replace it.**
- w. Prepackaged "software" programs and electronic data processing equipment that cannot be replaced, at the cost of functionally equivalent "software" or "hardware".**
- x. "Business income", "extra expense" and "resumption of operations":**
  - (1) The amount of "business income" loss will be determined based on:
    - (a) The Net Income of the business before the direct physical loss or damage occurred;
    - (b) The likely Net Income of the business if no loss or damage had occurred but not including any Net Income that would likely have been earned as a result of an

increase in the volume of business conditions due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;

- (c) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
  - (d) Other relevant sources of information, including:
    - (i) Your financial records and accounting procedures;
    - (ii) Bills, invoices and other vouchers; and
    - (iii) Deeds, liens or contracts.
- (2) The amount of "extra expense" will be determined based on:
- (a) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
    - (i) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
    - (ii) Any "extra expense" that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
  - (b) All necessary expenses that reduce the "business income" loss that otherwise would have been incurred.
- (3) Resumption of Operations
- We will reduce the amount of your:
- (a) "Business income" loss, other than "extra expense", to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or "stock")

at an insured location or elsewhere.

- (b) "Extra expense" loss to the extent you can return "operations" to normal and discontinue such "extra expense".

If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

## V. DEFINITIONS

The following is added to Paragraph H. of Building and Personal Property Coverage Form CP 00 10:

### H. Definitions

1. "Business income" means:
  - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred; and
  - b. Continuing normal operating expenses incurred, including payroll.
  - c. For manufacturing risks, Net Income includes the net sales value of production.
2. "Extra Expense" means the necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property:
  - a. To avoid or minimize the "suspension" of business and to continue "operations":
    - (1) At an insured location; or
    - (2) At replacement premises or at temporary locations, including relocation expenses and costs to equip and operate the replacement or temporary locations;
  - b. To minimize the suspension of business if you cannot continue "operations"; or
  - c. To:
    - (1) Repair or replace any property; or
    - (2) Research, replace or restore the lost information on damaged "valuable papers and records",
 to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.

With regard to **c.(1)** above, we will pay only for those expenses necessary to expedite the repair or replacement of the property. Under this provision, we will not pay for any portion of the ordinary and expected cost to actually repair or replace property.

**3. "Suspension" means:**

- a.** The slowdown or cessation of your business activities; or
- b.** That a part or all of an insured location is rendered un-tenantable, if coverage for "Business Income" including "Rental Value" or "Rental Value" applies.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ILLINOIS CHANGES – DATA BREACH COVERAGE FORM

This endorsement modifies insurance provided under the following:

### DATA BREACH COVERAGE FORM

**A. SECTION E – CONDITIONS, 11. Cancellation and Non-Renewal** is replaced by the following:

**11. Cancellation and Non-Renewal:**

- a. If we decide to cancel this Coverage Part in the first 60 days, we will mail:

- (1) 10 days' written notice of cancellation for nonpayment of premium; or
- (2) 30 days' written notice of cancellation for any other reason.

If this Coverage Part has been in effect for 60 days or more or is a renewal of a Coverage Part we issued, then we will mail:

- (3) 10 days' written notice of cancellation for nonpayment of premium; or
- (4) 60 days' written notice of cancellation for one or more of the following reasons:
  - (a) The Coverage Part was obtained through a material representation;
  - (b) Any insured violated any of the terms and conditions of the policy;
  - (c) The risk originally accepted has measurably increased;
  - (d) Certification is provided to the Director of Insurance in Illinois of the loss of reinsurance by us which provided coverage to us for a substantial part of the underlying risk insured; or
  - (e) A determination is made by the Director of Insurance in Illinois that the continuation of the policy could place us in violation of the insurance laws of Illinois.

Cancellation notices will state the reason for cancellation and will be mailed to you and the agent or broker of record at the last addresses known to us. We will maintain proof of mailing on a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office or other commercial mail delivery service.

- b. If we decide not to renew this Coverage Part, we will mail or deliver written notice not less than 60 days before the expiration date to the named insured shown in the Declarations and to the agent or broker of record at the last addresses known to us. Notice will provide an explanation of the reason for nonrenewal. We will maintain proof of mailing on a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office or other commercial mail delivery service.

**B. SECTION E – CONDITIONS, 2. Concealment, Misrepresentation Or Fraud** is replaced by the following:

**2. Concealment, Misrepresentation Or Fraud**

- a. This Coverage Part or Coverage Form is void if you or any "insured" commit fraud or conceal or misrepresent a fact in the process leading to the issuance of this insurance, and such fraud, concealment or misrepresentation is stated in the policy or endorsement or in the written application for this policy and:

- (1) Was made with actual intent to deceive; or
- (2) Materially affected either our decision to provide this insurance or the hazard we assumed.

However, this condition will not serve as a reason to void this Coverage Form after the Coverage Form has been in effect for one year or one policy term, whichever is less.

- b. We do not provide coverage under this Coverage Part or Coverage Form if you or any other "insured" who at any time subsequent to the issuance of this insurance, commit fraud or intentionally conceal or misrepresent a material fact relating to:

- (1) This Coverage Part or Coverage Form;
- (2) The Covered Property

- (3) Your interest in the Covered Property;  
or
- (4) A claim under this Coverage Part or Coverage Form.

c. Notwithstanding the limitations stated in 2.a. above, we may cancel the Coverage Form in accordance with the terms of the Cancellation Condition.

**C. SECTION E – CONDITIONS, 18. Appraisal** is replaced by the following:

**18. Appraisal**

If we and you disagree on the amount of net income, operating expense or loss either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of the net income, operating expense and loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will not be binding.

Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

However, we will pay your appraiser's fee and the umpire's appraisal fee, if the following conditions exist:

- c. You demanded the appraisal; and
- d. The amount of net income, operating expense and loss, as set by your appraiser, is agreed to by our appraiser or by the umpire.

If there is an appraisal, we will still retain our right to deny the claim; and you will retain your right to file suit against us.

**D. SECTION E – CONDITIONS, 5. Legal Action Against Us** is replaced by the following:

**5. Legal Action Against Us**

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date we first deny the claim in whole or in part.

**E. The following is added to SECTION F – DEFINITIONS, 10. Defense Expenses:**

"Defense Expenses" do not include our routine ongoing expenses or overhead such as salaries of our staff or our staff attorneys.

**F. SECTION E – CONDITIONS 8. Other Insurance,** paragraph b. is replaced by the following:

- b. If there is other insurance covering the same "data breach", other than that described in a. above, we will share proportionately with such other coverage in the benefits or amounts due for Data Breach Services, Data Breach Expense Coverages, and Additional Expense Coverages. We will not pay more than the applicable Limit of Insurance shown in the **SCHEDULE**.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EQUIPMENT BREAKDOWN COVERAGE (INCLUDING ELECTRONIC CIRCUITRY IMPAIRMENT)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
 CONDOMINIUM ASSOCIATION COVERAGE FORM  
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
 CAUSES OF LOSS – BASIC FORM  
 CAUSES OF LOSS – BROAD FORM  
 CAUSES OF LOSS – SPECIAL FORM

### A. COVERAGE

The following is added as an Additional Coverage to the Causes of Loss – Basic Form, Broad Form and Special Form:

#### Additional Coverage – Equipment Breakdown

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below. Without an “accident” or “electronic circuitry impairment”, there is no Equipment Breakdown Coverage.

1. We will pay for direct physical damage to Covered Property that is the direct result of an “accident” or “electronic circuitry impairment”. We will consider “electronic circuitry impairment” to be physical damage to “covered equipment”.
2. Unless otherwise shown in the “schedule”, the following coverages also apply to the direct result of an “accident” or “electronic circuitry impairment”. However, with respect to coverage **2.i. Service Interruption** below and any Dependent Properties coverage provided by this coverage part, coverage will apply only to the direct result of an “accident” and will not apply to the direct result of “electronic circuitry impairment”. These coverages do not provide additional amounts of insurance.

#### a. Business Income and Extra Expense

- (1) Any insurance provided under the coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a deductible is shown in the “schedule”, then with respect to this endorsement only, the “period of restoration” will begin immediately after the “accident” or “electronic circuitry impairment”, and

the deductible shown in the “schedule” will apply.

- (2) The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in the “schedule”.

#### b. Data Restoration

- (1) We will pay for your reasonable and necessary cost to research, replace and restore lost “data”.
- (2) The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$100,000 unless otherwise shown in the “schedule”.

#### c. Expediting Expenses

- (1) With respect to your damaged Covered Property, we will pay the reasonable extra cost to:
  - (a) Make temporary repairs; and
  - (b) Expedite permanent repairs or permanent replacement.
- (2) The most we will pay for loss or expense under this coverage is \$100,000 unless otherwise shown in the “schedule”.

#### d. Fungus, Wet Rot, Dry Rot and Bacteria

- (1) We will pay your additional cost to repair or replace Covered Property because of contamination by “fungus”, wet rot, dry rot or bacteria. This includes the additional costs to clean up or dispose of such property. This does not include spoilage of personal property that is “perishable goods” to



the extent that such spoilage is covered under Spoilage coverage.

- (2) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "fungus", wet rot, dry rot or bacteria been involved.
- (3) We will also pay the cost of testing performed after repair or replacement of the damaged Covered Property is completed only to the extent that there is reason to believe there is the presence of "fungus", wet rot, dry rot or bacteria.
- (4) This coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.
- (5) The most we will pay in any "one equipment breakdown" for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$15,000 even if the "fungus", wet rot, dry rot or bacteria continues to be present or active or recurs in a later policy period.

**e. Hazardous Substances**

- (1) We will pay your additional cost to repair or replace Covered Property because of contamination by a "hazardous substance". This includes the additional expenses to clean up or dispose of such property.
- (2) This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in **2.j.(1)(b)** below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.
- (3) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$100,000 unless otherwise shown in the "schedule".

**f. Off Premises Equipment Breakdown**

- (1) We will pay for physical damage to transportable "covered equipment" that, at the time of the "accident" or "electronic circuitry impairment", is not at a covered location. As respects this Off Premises Equipment Breakdown coverage only, the "accident" or "electronic circuitry impairment" may occur in any country except one in which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.
- (2) We will also pay for your reasonable and necessary cost to research, replace and restore lost "data" contained within "covered equipment" as described under **f.(1)** above. This amount may not exceed the limit applicable to Data Restoration coverage.
- (3) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, and Data Restoration as described in **f.(2)** above is the limit for Property Off Premises Coverage Extension shown in your policy.

**g. Public Relations**

- (1) This coverage only applies if you have sustained an actual loss of Business Income covered under this endorsement.
- (2) We will pay for your reasonable costs for professional services to create and disseminate communications, when the need for such communications arises directly from the interruption of your business. This communication must be directed to one or more of the following:
  - (a) The media;
  - (b) The public; or
  - (c) Your customers, clients or members.
- (3) Such costs must be incurred during the "period of restoration" or up to 30 days after the "period of restoration" has ended.
- (4) The most we will pay for loss or expense under this coverage is \$5,000.

**h. Scientific Animals**

We will pay for loss or damage to “scientific animals” resulting from an “accident” to “covered equipment” when the Life Science Property Broadening Endorsement is included in the policy. The most we will pay for loss, damage or expense under this coverage is the lesser of the limit shown in the Life Science Property Broadening Endorsement or \$100,000, unless otherwise shown in the “schedule”.

**i. Service Interruption**

- (1) Any insurance provided for Business Income, Extra Expense, Data Restoration or Spoilage is extended to apply to your loss, damage or expense caused by a failure or disruption of service. The failure or disruption of service must be caused by an “accident” to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord’s utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, “cloud computing services”, wide area networks or data transmission. The equipment must meet the definition of “covered equipment” except that it is not Covered Property.
- (2) “Cloud computing services” must be provided by a professional provider with whom you have a contract.
- (3) With respect to the Data Restoration portion of this Service Interruption coverage, coverage will also apply to “data” stored in the equipment of a provider of “cloud computing services”.
- (4) Unless otherwise shown in the “schedule”, Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the “accident”. If the interruption exceeds 24 hours, coverage will begin at the time of the disruption, and the applicable deductible will apply.
- (5) The most we will pay in any “one equipment breakdown” for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense,

Data Restoration or Spoilage, except that if a limit is shown in the “schedule” for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

**j. Spoilage**

**(1) We will pay for:**

- (a) Physical damage to “perishable goods” due to spoilage;
- (b) Physical damage to “perishable goods” due to contamination from the release of refrigerant, including but not limited to ammonia;
- (c) Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

(2) If you are unable to replace the “perishable goods” before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the “perishable goods” at the time of the “accident” or “electronic circuitry impairment”, less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

(3) The most we will pay for loss, damage or expense under this coverage is \$100,000 unless otherwise shown in the “schedule”.

**B. EXCLUSIONS**

All exclusions in the applicable Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this endorsement.

**1. The following exclusions are modified:**

- a. If the Causes of Loss – Basic Form or Causes of Loss – Broad Form apply, the following is added to **Exclusion B.2.:**

Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. However, if an “accident” or “electronic circuitry impairment” results, we will pay for the resulting loss, damage or expense caused by that “accident” or “electronic circuitry impairment”.

- b. If the Causes of Loss – Special Form applies, with respect to this endorsement only, the last paragraph of **Exclusion B.2.d.** is replaced by the following:
- But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in an “accident” or “electronic circuitry impairment”, we will pay for the loss, damage or expense caused by that “accident” or “electronic circuitry impairment”.
2. The following exclusions are added to the Building and Personal Property Coverage Form, the Condominium Association Coverage Form, the Condominium Commercial Unit-Owners Coverage Form, the Causes Of Loss – Basic Form, the Causes Of Loss – Broad Form, and the Causes Of Loss – Special Form:
- a. We will not pay for loss, damage or expense caused directly or indirectly by any of the following, whether or not caused by or resulting from an “accident” or “electronic circuitry impairment”:
- (1) Fire, including smoke from a fire;
  - (2) Explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from that furnace to the atmosphere;
  - (3) Any other explosion, except as specifically covered under this endorsement;
  - (4) Any earth movement, including but not limited to earthquake, subsidence, sinkhole collapse, landslide, earth sinking, tsunami or volcanic action;
  - (5) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; mudslide or mudflow; or water that backs up or overflows from a sewer, drain or sump. However, if electrical “covered equipment” requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies; or
  - (6) Vandalism.
- b. Coverage under this endorsement does not apply to an “accident” or “electronic circuitry impairment” caused by or resulting from:
- (1) Lightning;
  - (2) Windstorm or hail. However this exclusion does not apply when:
    - (a) “Covered equipment” located within a building or structure suffers an “accident” or “electronic circuitry impairment” that results from wind-blown rain, snow, sand or dust; and
    - (b) The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow or dust entered.
  - (3) Smoke; aircraft or vehicles; riot or civil commotion; sprinkler leakage; elevator collision;
  - (4) Breakage of glass; falling objects; weight of snow, ice or sleet; freezing (caused by cold weather); collapse or molten material;
  - (5) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or
  - (6) Water or other means used to extinguish a fire.
- c. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for any increase in loss resulting from an agreement between you and your customer or supplier.
- d. Except as specifically provided under **A.2.d. Fungus, Wet Rot, Dry Rot and Bacteria** coverage we will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an “accident” or “electronic circuitry impairment”: Any “fungus”, wet rot, dry rot or bacteria, including any presence, growth, proliferation, spread or any activity of “fungus”, wet rot, dry rot or bacteria. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such “fungus”, wet rot, dry rot or bacteria. However, this exclusion does not apply to spoilage of personal property that is “perishable goods”, to the extent that such spoilage is covered under Spoilage coverage.
- e. Except as specifically provided under **A.2.h. Scientific Animals** coverage, we

will not pay for any loss or damage to animals.

**3. Exclusions 2.b.(1), 2.b.(2), 2.b.(3), and 2.b.(4)** above shall not apply if:

- a. The excluded cause of loss occurs away from any covered location and causes an electrical surge or other electrical disturbance;
- b. Such surge or disturbance is transmitted through utility service transmission lines to the covered location and results in an "accident" or "electronic circuitry impairment"; and
- c. The loss, damage or expense caused by such surge or disturbance is not covered elsewhere under the policy.

**4. Any cause of loss set forth in Exclusion 2.b.(4) above that is not a Covered Cause of Loss in this coverage part shall be excluded only as respects Service Interruption coverage.**

**C. DEFINITIONS**

For the purpose of this endorsement only, the following definitions are added:

**1. "Accident"**

- a. "Accident" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:

- (1) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- (2) Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- (3) Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
- (4) Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- (5) Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

- b. None of the following is an "accident":

- (1) Defect, programming error, programming limitation, computer virus, malicious code, loss of "data",

loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind; or

- (2) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident".

**2. "Boilers and vessels" means:**

- a. Any boiler, including attached steam, condensate and feedwater piping; and
- b. Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in the "schedule".

- 3. "Cloud computing services" means** professional, on-demand, self-service data storage or data processing services provided through the internet or over telecommunications lines. This includes services known as IaaS (infrastructure as a service), PaaS (platform as a service), SaaS (software as a service) and NaaS (network as a service). This includes business models known as public clouds, community clouds and hybrid clouds. "Cloud computing services" include private clouds if such services are owned and operated by a third party.

**4. "Covered equipment"**

- a. "Covered equipment" means, unless otherwise specified in the "schedule", Covered Property:

- (1) That generates, transmits or utilizes energy; or
- (2) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

"Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.

- b. None of the following is "covered equipment":

- (1) Structure, foundation, cabinet or compartment;
- (2) Insulating or refractory material;



- (3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
  - (4) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
  - (5) "Vehicle" or any equipment mounted on a "vehicle";
  - (6) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
  - (7) Dragline, excavation or construction equipment; or
  - (8) Equipment manufactured by you for sale.
5. "Data" means information or instructions stored in digital code capable of being processed by machinery.
6. "Electronic circuitry" means microelectronic components, including but not limited to circuit boards, integrated circuits, computer chips and disk drives.
7. "Electronic circuitry impairment"
  - a. "Electronic circuitry impairment" means a fortuitous event involving "electronic circuitry" within "covered equipment" that causes the "covered equipment" to suddenly lose its ability to function as it had been functioning immediately before such event. This definition is subject to the conditions specified in **b.**, **c.** and **d.** below.
  - b. We shall determine that the reasonable and appropriate remedy to restore such "covered equipment's" ability to function is the replacement of one or more "electronic circuitry" components of the "covered equipment".
  - c. The "covered equipment" must be owned or leased by you, or operated under your control.
  - d. None of the following is "electronic circuitry impairment":
    - (1) Any condition that can be reasonably remedied by:
      - (a) Normal maintenance, including but not limited to replacing expendable parts, recharging batteries or cleaning;
      - (b) Rebooting, reloading or updating software or firmware; or
      - (c) Providing necessary power or supply.
    - (2) Any condition caused by or related to:
      - (a) Incompatibility of the "covered equipment" with any software or equipment installed, introduced or networked within the prior 30 days;
      - (b) Insufficient size, capability or capacity of the "covered equipment"; or
      - (c) Exposure to adverse environmental conditions, including but not limited to change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty shall not be considered an observable loss of functionality.
8. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
9. "Media" means material on which "data" is recorded, such as solid state drives, hard disks, optical disks, flash drives, magnetic tapes or floppy disks.
10. "One equipment breakdown" means: If an initial "accident" or "electronic circuitry impairment" causes other "accidents" or "electronic circuitry impairments", all will be considered "one equipment breakdown". All "accidents" or "electronic circuitry impairments" that are the result of the same "accident" or "electronic circuitry impairment" will be considered "one equipment breakdown".
11. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
12. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus. However, "production machinery" does not mean any boiler, or fired or unfired pressure vessel.  
  
This term does not appear elsewhere in this endorsement, but may appear in the "schedule".
13. "Schedule" means the Equipment Breakdown Coverage Schedule.

14. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to: car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle".

#### D. DEDUCTIBLE

The Building and Personal Property Coverage Form is modified as follows:

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in the "schedule". If a separate Equipment Breakdown deductible is shown, the following applies.

Only in regards to Equipment Breakdown Coverage, provision **D. DEDUCTIBLE** in the Building and Personal Property Coverage Form, the Condominium Association Coverage Form, the Condominium Commercial Unit-Owners Coverage Form, the Causes Of Loss – Basic Form, the Causes Of Loss – Broad Form, and the Causes Of Loss – Special Form: is replaced by the following:

##### 1. Deductibles for Each Coverage

- a. Unless the "schedule" indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one equipment breakdown".
- b. We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the "schedule". We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- c. If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one equipment breakdown", only the highest deductible for each coverage will apply.

##### 2. Direct and Indirect Coverages

- a. Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the "schedule".
- b. Unless more specifically indicated in the "schedule":
  - (1) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
  - (2) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

#### 3. Application of Deductibles

##### a. Dollar Deductibles

We will not pay for loss, damage or expense resulting from any "one equipment breakdown" until the amount of loss, damage or expense exceeds the applicable deductible shown in the "schedule". We will then pay the amount of loss, damage or expense in excess of the applicable deductible or deductibles, up to the applicable Limit of Insurance.

##### b. Time Deductible

If a time deductible is shown in the "schedule", we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident" or "electronic circuitry impairment". If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

##### c. Multiple of Average Daily Value (ADV)

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" or "electronic circuitry impairment" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or "electronic circuitry impairment" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration". The number indicated in the "schedule" will be multiplied by the ADV as



determined above. The result shall be used as the applicable deductible.

**d. Percentage of Loss Deductibles**

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

**E. CONDITIONS**

1. The following conditions are added to the Conditions in the Building and Personal Property Coverage Form, the Condominium Association Coverage Form, the Condominium Commercial Unit-Owners Coverage Form, the Commercial Property Conditions and the Common Policy Conditions:

**a. Suspension**

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" or "electronic circuitry impairment" to that "covered equipment". This can be done by mailing or delivering a written notice of suspension to:

- (1) Your last known address; or
- (2) The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment". If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

**b. Jurisdictional Inspections**

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

**c. Coinsurance**

If a coinsurance percentage is shown in the "schedule" for specified coverages, the following condition applies.

We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.

2. For the purpose of this endorsement only, **E. Loss Conditions, 7. Valuation** in the Building and Personal Property Coverage Form is replaced by the following:

**7. Valuation**

We will determine the value of Covered Property as follows:

- a. Except as specified otherwise, our payment for damaged Covered Property will be the smallest of:

- (1) The cost to repair the damaged property;
- (2) The cost to replace the damaged property on the same site; or
- (3) The amount you actually spend that is necessary to repair or replace the damaged property.

- b. Except as described in **c.** below, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.

**c. Environmental, Safety and Efficiency Improvements**

If "covered equipment" requires replacement due to an "accident" or "electronic circuitry impairment", we will pay your additional cost to replace with equipment that is better for the environment, safer for people or more energy or water efficient than the equipment being replaced. However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with

like kind and quality. This provision does not apply to the replacement of component parts or to any property to which Actual Cash Value applies and does not increase any of the applicable limits.

d. The following property will be valued on an Actual Cash Value basis:

- (1) Any property that does not currently serve a useful or necessary function for you;
- (2) Any Covered Property that you do not repair or replace within 24 months after the date of the "accident" or "electronic circuitry impairment"; and
- (3) Any Covered Property for which Actual Cash Value coverage is specified in a "schedule", Actual Cash Value includes deductions for depreciation.

e. If any one of the following conditions is met, property held for sale by you will be valued at the sales price as if no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:

- (1) The property was manufactured by you;

(2) The sales price of the property is less than the replacement cost of the property; or

(3) You are unable to replace the property before its anticipated sale.

f. Except as specifically provided for under Data Restoration coverage, "data" and "media" will be valued on the following basis:

- (1) For mass-produced and commercially available software, at the replacement cost.
- (2) For all other "data" and "media", at the cost of blank "media" for reproducing the records. We will not pay for "data" representing financial records based on the face value of such records.

The most we will pay for loss, damage or expense under this endorsement arising from any "one equipment breakdown" is the applicable Limit of Insurance in the Declarations unless otherwise shown in the "schedule". Coverage provided under this endorsement does not provide an additional amount of insurance.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

## COMMERCIAL PROPERTY COVERAGE PART EQUIPMENT BREAKDOWN COVERAGE SCHEDULE

*Equipment Breakdown is subject to the Limits of Insurance shown in the Declarations except as specifically shown below.*

*These coverages apply to all locations covered on the policy, unless otherwise specified.*

Coverages	Limits
Equipment Breakdown Limit	\$1,700,000
Business Income	\$Included
Extra Expense	\$Included
Data Restoration	\$100,000
Expediting Expenses	\$100,000
Hazardous Substances	\$100,000
Scientific Animals	\$0
Service Interruption	\$Included in BI, EE and/or Spoilage Limit
Spoilage	\$100,000

	Deductibles
Combined, All Coverages	\$0
Direct Coverages	\$2,500
Indirect Coverages	\$0 or 72 hours or times ADV
Spoilage	\$2,500 or % of loss, \$ minimum

### Other Conditions

Period of Loss Extension: Follows Property
Demolition and ICC: Property Amount or \$2,500,000, Whichever is Less
We will not pay for any loss under Service Interruption coverage unless the interruption exceeds: 24 Hours

**COMMERCIAL PROPERTY**  
**CP 00 10 10 12**

## **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **H. Definitions**.

### **A. Coverage**

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

#### **1. Covered Property**

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.** Property Not Covered, if a Limit Of Insurance is shown in the Declarations for that type of property.

**a. Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire-extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;
  - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

#### **b. Your Business Personal Property**

consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

#### **c. Personal Property Of Others** that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

## 2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, **n.**, does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

  - (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;

- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
  - (c) Rowboats or canoes out of water at the described premises; or
  - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or
- q. The following property while outside of buildings:
- (1) Grain, hay, straw or other crops;
  - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

### 3. Covered Causes Of Loss

See applicable Causes Of Loss form as shown in the Declarations.

### 4. Additional Coverages

#### a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
  - (2) Debris Removal does not apply to costs to:
    - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
    - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
    - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
  - (d) Remove property of others of a type that would not be Covered Property under this Coverage Form;
  - (e) Remove deposits of mud or earth from the grounds of the described premises;
  - (f) Extract "pollutants" from land or water; or
  - (g) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
- (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
  - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
- (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
  - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.



Therefore, if **(4)(a)** and/or **(4)(b)** applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

## **(5) Examples**

The following examples assume that there is no Coinsurance penalty.

### **Example 1**

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 – \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph **(3)**.

### **Example 2**

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense:	\$ 40,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

The basic amount payable for debris removal expense under the terms of Paragraph **(3)** is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000, capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph **(4)**, because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph **(4)**. Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

## **b. Preservation Of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1)** While it is being moved or while temporarily stored at another location; and
- (2)** Only if the loss or damage occurs within 30 days after the property is first moved.

## **c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

- (1)** Assumed by contract or agreement prior to loss; or
- (2)** Required by local ordinance.

No Deductible applies to this Additional Coverage.

**d. Pollutant Clean-up And Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

**e. Increased Cost Of Construction**

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in **e.(3)** through **e.(9)** of this Additional Coverage.
- (3) The ordinance or law referred to in **e.(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
  - (a) You were required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.

- (5) Under this Additional Coverage, we will not pay for:

- (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:

- (a) We will not pay for the Increased Cost of Construction:
  - (i) Until the property is actually repaired or replaced at the same or another premises; and
  - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

**f. Electronic Data**

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.

- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:

- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
- (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
- (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

## 5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

### a. Newly Acquired Or Constructed Property

#### (1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

## (2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
  - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
  - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

## (3) Period Of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

**b. Personal Effects And Property Of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers And Records (Other Than Electronic Data)**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

**d. Property Off-premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
  - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
  - (a) In or on a vehicle; or
  - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.



Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

**f. Non-owned Detached Trailers**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
  - (a) The trailer is used in your business;
  - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
  - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
  - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
  - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

**g. Business Personal Property Temporarily In Portable Storage Units**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the building or structure described in the Declarations or within 100 feet of the premises described in the Declarations, whichever distance is greater.

- (2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.
- (3) Coverage under this Extension:
  - (a) Will end 90 days after the business personal property has been placed in the storage unit;
  - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.
- (4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

**B. Exclusions And Limitations**

See applicable Causes Of Loss form as shown in the Declarations.

**C. Limits Of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.



The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

#### D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

#### Example 1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building 1:	\$ 60,000
Limit of Insurance – Building 2:	\$ 80,000
Loss to Building 1:	\$ 60,100
Loss to Building 2:	\$ 90,000

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building 1:

\$ 60,100
– 250
<hr/>
\$ 59,850 Loss Payable – Building 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

$$\$59,850 + \$80,000 = \$139,850$$

#### Example 2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example 1.

Loss to Building 1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building 2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

#### E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

##### 1. Abandonment

There can be no abandonment of any property to us.

##### 2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

##### 3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
  - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
  - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
  - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
  - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
  
Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
  - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
  - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

#### 4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
  - (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:
  - (1) We have reached agreement with you on the amount of loss; or
  - (2) An appraisal award has been made.

- h.** A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

## 5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

## 6. Vacancy

### a. Description Of Terms

- (1)** As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:
- (a)** When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

- (b)** When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- (i)** Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
- (ii)** Used by the building owner to conduct customary operations.

- (2)** Buildings under construction or renovation are not considered vacant.

### b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1)** We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:
- (a)** Vandalism;
- (b)** Sprinkler leakage, unless you have protected the system against freezing;
- (c)** Building glass breakage;
- (d)** Water damage;
- (e)** Theft; or
- (f)** Attempted theft.
- (2)** With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

## 7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

- a.** At actual cash value as of the time of loss or damage, except as provided in **b.**, **c.**, **d.** and **e.** below.
- b.** If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value, even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
  - (1) Actual cash value of the lost or damaged property if you make repairs promptly.
  - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (3) Nothing if others pay for repairs or replacement.

## F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

### 1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

### Example 1 (Underinsurance)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 100,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$100,000 \div \$200,000 = .50$

Step (3):  $\$40,000 \times .50 = \$20,000$

Step (4):  $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

### Example 2 (Adequate Insurance)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 200,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$250,000 \times 80\%$ ). Therefore, the Limit of Insurance in this example is adequate, and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

### Example 3

When:	The value of the property is:	
	Building at Location 1:	\$ 75,000
	Building at Location 2:	\$ 100,000
	Personal Property at Location 2:	<u>\$ 75,000</u>
		\$ 250,000
	The Coinsurance percentage for it is:	90%
	The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is:	\$ 180,000
	The Deductible is:	\$ 1,000
	The amount of loss is:	
	Building at Location 2:	\$ 30,000
	Personal Property at Location 2:	<u>\$ 20,000</u>
		\$ 50,000

Step (1):  $\$250,000 \times 90\% = \$225,000$   
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):  $\$180,000 \div \$225,000 = .80$

Step (3):  $\$50,000 \times .80 = \$40,000$

Step (4):  $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

## 2. Mortgageholders

- The term mortgageholder includes trustee.
- We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - Pays any premium due under this Coverage Part at our request if you have failed to do so;

- Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

- Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

- The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

- 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

## G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

### 1. Agreed Value

- The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.



- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
  - (1) On or after the effective date of this Optional Coverage; and
  - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

## 2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
  - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
  - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
  - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

### Example

If: The applicable Limit of Insurance is: \$ 100,000  
 The annual percentage increase is: 8%  
 The number of days since the beginning of the policy year (or last policy change) is: 146  
 The amount of increase is:  
 $\$100,000 \times .08 \times 146 \div 365 =$  \$ 3,200

## 3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
  - (1) Personal property of others;
  - (2) Contents of a residence;
  - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or

- (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
  - (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
  - (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The cost to replace the lost or damaged property with other property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose; or
  - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.



- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

**4. Extension Of Replacement Cost To Personal Property Of Others**

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

**H. Definitions**

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

COMMERCIAL PROPERTY  
CP 00 30 10 12

## BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

### A. Coverage

#### 1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit Of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit Of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises means:

- (a) The portion of the building which you rent, lease or occupy;
- (b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

#### 2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

### 3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

### 4. Additional Limitation – Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- d. This Additional Limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

## 5. Additional Coverages

### a. Civil Authority

In this Additional Coverage, Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
  - (2) When your Civil Authority Coverage for Business Income ends;
- whichever is later.

**b. Alterations And New Buildings**

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
  - (a) Used in the construction, alterations or additions; or
  - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

**c. Extended Business Income****(1) Business Income Other Than "Rental Value"**

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
  - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 60 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**(2) "Rental Value"**

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
  - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 60 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

**d. Interruption Of Computer Operations**

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.

- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss. However, we will not provide coverage under this Additional Coverage when the Additional Limitation – Interruption Of Computer Operations does not apply based on Paragraph A.4.d. therein.
  - (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
    - (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
    - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, includes Collapse as set forth in that form.
    - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Interruption Of Computer Operations.
    - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
  - (4) The most we will pay under this Additional Coverage, Interruption Of Computer Operations, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
  - (5) This Additional Coverage, Interruption Of Computer Operations, does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.
- 6. Coverage Extension**
- If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:
- Newly Acquired Locations**
- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
  - b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location, unless a higher limit is shown in the Declarations.
  - c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
    - (1) This policy expires;



- (2) 30 days expire after you acquire or begin to construct the property; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

## B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

- 1. Alterations And New Buildings;
- 2. Civil Authority;
- 3. Extra Expense; or
- 4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage.

## C. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

### 1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

## 2. Duties In The Event Of Loss

- a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
  
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (7) Cooperate with us in the investigation or settlement of the claim.
- (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.



### 3. Loss Determination

- a. The amount of Business Income loss will be determined based on:
  - (1) The Net Income of the business before the direct physical loss or damage occurred;
  - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
  - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
  - (4) Other relevant sources of information, including:
    - (a) Your financial records and accounting procedures;
    - (b) Bills, invoices and other vouchers; and
    - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
  - (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
    - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
    - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
  - (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

### c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

### 4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

### D. Additional Condition

#### COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

1. The Coinsurance percentage shown for Business Income in the Declarations; times
2. The sum of:
  - a. The Net Income (Net Profit or Loss before income taxes), and
  - b. Operating expenses, including payroll expenses,
 that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

- Step (1):** Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- Step (2):** Divide the Limit of Insurance for the described premises by the figure determined in **Step (1)**; and
- Step (3):** Multiply the total amount of loss by the figure determined in **Step (2)**.

We will pay the amount determined in **Step (3)** or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight – outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form **CP 15 11** is attached);
- (11) All payroll expenses or the amount of payroll expense excluded (if Form **CP 15 10** is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

### Example 1 (Underinsurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$ 150,000

The amount of loss is: \$ 80,000

**Step (1):**  $\$400,000 \times 50\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

**Step (2):**  $\$150,000 \div \$200,000 = .75$

**Step (3):**  $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

### Example 2 (Adequate Insurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$ 200,000

The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$400,000 \times 50\%$ ). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

### E. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

#### 1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

- (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
- (2) The Limit Of Insurance shown in the Declarations.

## 2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
  - (1) The Limit of Insurance, multiplied by
  - (2) The fraction shown in the Declarations for this Optional Coverage.

### Example

When: The Limit of Insurance is: \$ 120,000  
 The fraction shown in the Declarations for this Optional Coverage is: 1/4  
 The most we will pay for loss in each period of 30 consecutive days is: \$ 30,000  
 (\$120,000 x 1/4 = \$30,000)  
 If, in this example, the actual amount of loss is:

Days 1–30:	\$ 40,000
Days 31–60:	\$ 20,000
Days 61–90:	\$ 30,000
	<hr/>
	\$ 90,000

We will pay:

Days 1–30:	\$ 30,000
Days 31–60:	\$ 20,000
Days 61–90:	\$ 30,000
	<hr/>
	\$ 80,000

The remaining \$10,000 is not covered.

## 3. Business Income Agreed Value

- a. To activate this Optional Coverage:
  - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
    - (a) During the 12 months prior to the date of the Work Sheet; and

(b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

(2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:

- (a) The Coinsurance percentage shown in the Declarations; multiplied by
- (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.

b. The Additional Condition, Coinsurance, is suspended until:

- (1) 12 months after the effective date of this Optional Coverage; or
- (2) The expiration date of this policy; whichever occurs first.

c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:

- (1) Within 12 months of the effective date of this Optional Coverage; or
- (2) When you request a change in your Business Income Limit of Insurance.

d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

- (1) The Business Income Limit of Insurance; divided by
- (2) The Agreed Value.

### Example

When: The Limit of Insurance is: \$ 100,000  
 The Agreed Value is: \$ 200,000  
 The amount of loss is: \$ 80,000

Step (1):  $\$100,000 \div \$200,000 = .50$

Step (2):  $.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

## 4. Extended Period Of Indemnity

Under Paragraph A.5.c., **Extended Business Income**, the number 60 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

## F. Definitions

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:
  - a. Your business activities occurring at the described premises; and
  - b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
3. "Period of restoration" means the period of time that:
  - a. Begins:
    - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
    - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
 

caused by or resulting from any Covered Cause of Loss at the described premises; and
  - b. Ends on the earlier of:
    - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

  - (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or

- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Rental Value" means Business Income that consists of:
  - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
  - b. Continuing normal operating expenses incurred in connection with that premises, including:
    - (1) Payroll; and
    - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. "Suspension" means:
  - a. The slowdown or cessation of your business activities; or
  - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

**COMMERCIAL PROPERTY****COMMERCIAL PROPERTY CONDITIONS**

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

**A. CONCEALMENT, MISREPRESENTATION OR FRAUD**

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

**B. CONTROL OF PROPERTY**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

**C. INSURANCE UNDER TWO OR MORE COVERAGES**

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

**D. LEGAL ACTION AGAINST US**

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

**E. LIBERALIZATION**

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

**F. NO BENEFIT TO BAILEE**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**G. OTHER INSURANCE**

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

**H. POLICY PERIOD, COVERAGE TERRITORY**

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

**I. TRANSFER OF RIGHTS OF RECOVERY  
AGAINST OTHERS TO US**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.



COMMERCIAL PROPERTY  
CP 01 40 07 06

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY**

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.  
However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
  - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
  - 2.** Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

COMMERCIAL PROPERTY  
CP 01 49 06 07

## ILLINOIS CHANGES – ARTIFICIALLY GENERATED ELECTRICAL CURRENT EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

**A.** The exclusion set forth in:

1. Paragraph **B.2.a.** of the Standard Property Policy, the Causes Of Loss – Basic Form, the Causes Of Loss – Broad Form and the Causes Of Loss – Special Form; and
2. Paragraph **B.2.b.** of the Mortgageholders Errors And Omissions Coverage Form

is replaced by the following exclusion:

We will not pay for loss or damage caused by or resulting from artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.

POLICY NUMBER:ZBC D713544 02

COMMERCIAL PROPERTY  
CP 04 11 10 12**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

### SCHEDULE

Premises Number	Building Number	Protective Safeguards Symbols Applicable
1	1	P-1
<b>Describe Any "P-9":</b>		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

**A. The following is added to the Commercial Property Conditions:****Protective Safeguards**

- As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
- The protective safeguards to which this endorsement applies are identified by the following symbols:

**"P-1" Automatic Sprinkler System**, including related supervisory services.

Automatic Sprinkler System means:

- Any automatic fire protective or extinguishing system, including connected:
  - Sprinklers and discharge nozzles;
  - Ducts, pipes, valves and fittings;
  - Tanks, their component parts and supports; and
  - Pumps and private fire protection mains.
- When supplied from an automatic fire protective system:
  - Non-automatic fire protective systems; and

- Hydrants, standpipes and outlets.

**"P-2" Automatic Fire Alarm**, protecting the entire building, that is:

- Connected to a central station; or
- Reporting to a public or private fire alarm station.

**"P-3" Security Service**, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.**"P-4" Service Contract** with a privately owned fire department providing fire protection service to the described premises.**"P-5" Automatic Commercial Cooking Exhaust And Extinguishing System** installed on cooking appliances and having the following components:

- Hood;
- Grease removal device;
- Duct system; and
- Wet chemical fire extinguishing equipment.

**"P-9"**, the protective system described in the Schedule.

**B.** The following is added to the **Exclusions** section of:

Causes Of Loss – Basic Form

Causes Of Loss – Broad Form

Causes Of Loss – Special Form

Mortgageholders Errors And Omissions Coverage Form

Standard Property Policy

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or

2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System or Automatic Commercial Cooking Exhaust And Extinguishing System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

**COMMERCIAL PROPERTY**  
**CP 10 30 10 12**

## CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G**. Definitions.

### A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

### B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

#### a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

#### b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b.(1)** through **(4)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

With respect to coverage for Volcanic Action as set forth in **(5)(a)**, **(5)(b)** and **(5)(c)**, all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion applies regardless of whether any of the above, in Paragraphs **(1)** through **(5)**, is caused by an act of nature or is otherwise caused.

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

**d. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

**e. Utility Services**

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

**f. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

**h. "Fungus", Wet Rot, Dry Rot And Bacteria**

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria result in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".



This exclusion does not apply:

- (1) When "fungus", wet or dry rot or bacteria result from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

- 2. We will not pay for loss or damage caused by or resulting from any of the following:

- a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d.(1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;

- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

- (7) The following causes of loss to personal property:

- (a) Dampness or dryness of atmosphere;
- (b) Changes in or extremes of temperature; or
- (c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
  - (1) You do your best to maintain heat in the building or structure; or

- (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;
- (2) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, including any of the following conditions of property or any part of the property:
- (1) An abrupt falling down or caving in;
- (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, k., does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage, Collapse; or

- (b) To collapse caused by one or more of the following:

- (i) The "specified causes of loss";
- (ii) Breakage of building glass;
- (iii) Weight of rain that collects on a roof; or
- (iv) Weight of people or personal property.

- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Faulty, inadequate or defective:
- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;
- of part or all of any property on or off the described premises.

#### 4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

##### a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:
  - (a) Damage or destruction of "finished stock"; or
  - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.
- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
  - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
  - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

- (5) Any other consequential loss.

##### b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a., Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
  - (a) Your cancelling the lease;
  - (b) The suspension, lapse or cancellation of any license; or
  - (c) Any other consequential loss.

##### c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:
  - (a) Paragraph B.1.a. Ordinance Or Law;
  - (b) Paragraph B.1.c. Governmental Action;
  - (c) Paragraph B.1.d. Nuclear Hazard;
  - (d) Paragraph B.1.e. Utility Services; and
  - (e) Paragraph B.1.f. War And Military Action.
- (2) The following additional exclusions apply to insurance under this Coverage Form:
  - (a) **Contractual Liability**  
We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:
    - (i) Your assumption of liability was executed prior to the accident; and
    - (ii) The building is Covered Property under this Coverage Form.

##### (b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

## 5. Additional Exclusion

The following provisions apply only to the specified property:

### Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

## C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated:

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
  - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
  - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
    - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
    - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
- (2) Business Income Coverage or Extra Expense Coverage.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
  - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
  - (2) Changes in or extremes of temperature;
  - (3) Disease;
  - (4) Frost or hail; or
  - (5) Rain, snow, ice or sleet.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
  - a. Animals, and then only if they are killed or their destruction is made necessary.
  - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
    - (1) Glass; or
    - (2) Containers of property held for sale.
  - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.
 

However, this limitation does not apply:

    - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
    - (2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):
  - a. \$2,500 for furs, fur garments and garments trimmed with fur.
  - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
  - c. \$2,500 for patterns, dies, molds and forms.
  - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:
  - a. Results in discharge of any substance from an automatic fire protection system; or
  - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

#### **D. Additional Coverage – Collapse**

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

1. For the purpose of this Additional Coverage, Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
  - a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
  - c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
  - d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
    - (1) A cause of loss listed in **2.a.** or **2.b.**;
    - (2) One or more of the "specified causes of loss";
    - (3) Breakage of building glass;
    - (4) Weight of people or personal property; or
    - (5) Weight of rain that collects on a roof.
3. This **Additional Coverage – Collapse** does **not** apply to:
  - a. A building or any part of a building that is in danger of falling down or caving in;
  - b. A part of a building that is standing, even if it has separated from another part of the building; or
  - c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
4. With respect to the following property:
  - a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;



- b. Awnings, gutters and downspouts;
  - c. Yard fixtures;
  - d. Outdoor swimming pools;
  - e. Fences;
  - f. Piers, wharves and docks;
  - g. Beach or diving platforms or appurtenances;
  - h. Retaining walls; and
  - i. Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
- (2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse of personal property was caused by a cause of loss listed in **2.a.** through **2.d.**;
  - b. The personal property which collapses is inside a building; and
  - c. The property which collapses is not of a kind listed in **4.**, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **5.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

- 6. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- 7. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
- 8. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in **D.1.** through **D.7.**

#### **E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**

- 1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

- a. A "specified cause of loss" other than fire or lightning; or
- b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

- 2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
  - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
- 3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.



4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form:
  - a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
  - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

## F. Additional Coverage Extensions

### 1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
  - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
  - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
  - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

### 2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

### 3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension **F.3.** does not increase the Limit of Insurance.

#### **G. Definitions**

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or
    - (2) Sinking or collapse of land into man-made underground cavities.
  - b. Falling objects does not include loss or damage to:
    - (1) Personal property in the open; or
    - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

#### **c. Water damage means:**

- (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and
- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in **c.(1)** or **c.(2)** of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
FARM COVERAGE PART  
STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to Standard Property Policy **CP 00 99**, the terms Coverage Part and Coverage Form in this endorsement are replaced by the term Policy.
- B.** The following is added to the **Legal Action Against Us** Condition:  
The two year period for legal action against us is extended by the number of days between the date the proof of loss is filed with us and the date we deny the claim in whole or in part.
- C.** If this policy covers:
  1. The following in **a.** and **b.**, then Paragraphs **2.** and **3.** apply:
    - a.** Real property used principally for residential purposes up to and including a four family dwelling; or
    - b.** Household or personal property that is usual or incidental to the occupancy of any premises used for residential purposes.
  2. The second paragraph of the **Appraisal** Condition is deleted and replaced by the following:
    - a.** Each party will pay its own appraiser and bear the other expenses of the appraisal and umpire equally, except as provided in **b.** below.
    - b.** We will pay your appraiser's fee and the umpire's appraisal fee, if the following conditions exist:
      - (1) You demanded the appraisal; and
      - (2) The full amount of loss, as set by your appraiser, is agreed to by our appraiser or by the umpire.
3. The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following:  
**Concealment, Misrepresentation Or Fraud**
  - a.** This Coverage Part or Coverage Form is void if you or any insured ("insured") commit fraud or conceal or misrepresent a fact in the process leading to the issuance of this insurance, and such fraud, concealment or misrepresentation is stated in the policy or endorsement or in the written application for this policy and:
    - (1) Was made with actual intent to deceive; or
    - (2) Materially affected either our decision to provide this insurance or the hazard we assumed.

However, this condition will not serve as a reason to void this Coverage Part or Coverage Form after the Coverage Part or Coverage Form has been in effect for one year or one policy term, whichever is less.
  - b.** We do not provide coverage under this Coverage Part or Coverage Form to you or any other insured ("insured") who, at any time subsequent to the issuance of this insurance, commit fraud or intentionally conceal or misrepresent a material fact relating to:
    - (1) This Coverage Part or Coverage Form;
    - (2) The Covered Property;
    - (3) Your interest in the Covered Property; or
    - (4) A claim under this Coverage Part or Coverage Form.
  - c.** Notwithstanding the limitations stated in **3.a.** above, we may cancel the Coverage Part or Coverage Form in accordance with the terms of the Cancellation Condition.

**D.** For the Commercial Property Coverage Part and the Standard Property Policy, the following exclusion and related provisions are added to Paragraph **B.2.** Exclusions in the Causes of Loss Forms and to any Coverage Form or policy to which a Causes of Loss Form is not attached:

1. We will not pay for loss or damage arising out of any act an insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no insured is entitled to coverage, even insureds who did not commit or conspire to commit the act causing the loss.

2. However, this exclusion will not apply to deny payment to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if:

- a. The loss arose out of a pattern of criminal domestic violence; and
- b. The perpetrator of the loss is criminally prosecuted for the act causing the loss.

3. If we pay a claim pursuant to Paragraph **D.2.**, our payment to the insured is limited to that insured's insurable interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

**E.** The **Intentional Loss Exclusion** in the Causes of Loss Form – Farm Property, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form is replaced by the following:

1. We will not pay for loss ("loss") or damage arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss ("loss").

In the event of such loss ("loss"), no "insured" is entitled to coverage, even "insureds" who did not commit or conspire to commit the act causing the loss ("loss").

2. However, this exclusion will not apply to deny payment to an innocent co-"insured" who did not cooperate in or contribute to the creation of the loss ("loss") if:

- a. The loss ("loss") arose out of a pattern of criminal domestic violence; and
- b. The perpetrator of the loss ("loss") is criminally prosecuted for the act causing the loss.

3. If we pay a claim pursuant to Paragraph **E.2.**, our payment to the "insured" is limited to that "insured's" insurable interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

**F.** The **Intentional Loss Exclusion** in the Capital Assets Program (Output Policy) Coverage Part, is replaced by the following:

1. We will not pay for loss or damage arising out of any act an insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no insured is entitled to coverage, even insureds who did not commit or conspire to commit the act causing the loss.

2. However, this exclusion will not apply to deny payment to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if:

- a. The loss arose out of a pattern of criminal domestic violence; and
- b. The perpetrator of the loss is criminally prosecuted for the act causing the loss.

3. If we pay a claim pursuant to Paragraph **F.2.**, our payment to the insured is limited to that insured's insurable interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ASBESTOS LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS POLICY  
COMMERCIAL GENERAL LIABILITY COVERAGE PART**

This insurance does not apply to “bodily injury”, “property damage”, “personal injury” or “advertising injury” arising out of any actual or alleged:

1. Inhaling, ingesting or prolonged physical exposure by any person to asbestos or asbestos fibers or goods or products containing asbestos; or
2. Use of asbestos in constructing or manufacturing any good, product or structure; or
3. Intentional or accidental removal including encapsulation, dispersal, sealing or disposal of asbestos or asbestos fibers from any good, product or structure; or
4. Manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos; or
5. Product manufactured, sold, handled or distributed by or on behalf of the insured which contain asbestos; or
6. Acts or omissions of the insured in connection with the general supervision of any job involving the removal, enclosure, encapsulation, dispersal, sealing or disposal of asbestos, asbestos fibers or products containing asbestos.

General supervision includes the rendering of or failure to render any instructions, recommendations, warnings or advice.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – TOBACCO AND ELECTRONIC CIGARETTE LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART FOR OPERATIONS OF DESIGNATED CONTRACTOR  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART

The following is added to **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** and **SECTION I – COVERAGES, COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions** in the COMMERCIAL GENERAL LIABILITY COVERAGE PART; **SECTION I – COVERAGES, BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** in the OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART - COVERAGE FOR OPERATIONS OF DESIGNATED CONTRACTOR; **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions** and **SECTION I – COVERAGES, COVERAGE B – PHYSICAL DAMAGE TO PROPERTY, 2. Exclusions** in the RAILROAD PROTECTIVE LIABILITY COVERAGE PART; or **SECTION I – LIQUOR LIABILITY COVERAGE, 2. Exclusions** in the LIQUOR LIABILITY COVERAGE PART:

This insurance does not apply to:

### Tobacco Products and Electronic Cigarettes

Any liability or expense arising out of, resulting from or caused by tobacco products, electronic cigarettes, other electronic nicotine-delivery devices, or smoke, heat, ash, vapor, fumes, propylene glycol, glycerol, flavorings, nicotine, and other byproducts from or components or of such products or devices.

This exclusion also applies to:

- (1) Supervision, instructions, recommendations, warnings, representations, warranties or advice given or which should have been given in connection with the use of tobacco products, electronic cigarettes or other electronic nicotine-delivery devices; or
- (2) Any obligation to share damages with or repay someone else who must pay damages because of injury or damages arising out of the use of tobacco products, electronic cigarettes or other electronic nicotine-delivery devices.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## COMMERCIAL GENERAL LIABILITY BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

#### SUMMARY OF COVERAGES

1.	Additional Insured by Contract, Agreement or Permit	Included
2.	Additional Insured – Primary and Non-Contributory	Included
3.	Blanket Waiver of Subrogation	Included
4.	Bodily Injury Redefined	Included
5.	Broad Form Property Damage – Borrowed Equipment, Customers Goods & Use of Elevators	Included
6.	Knowledge of Occurrence	Included
7.	Liberalization Clause	Included
8.	Medical Payments – Extended Reporting Period	Included
9.	Newly Acquired or Formed Organizations - Covered until end of policy period	Included
10.	Non-owned Watercraft	51 ft.
11.	Supplementary Payments Increased Limits	
	- Bail Bonds	\$2,500
	- Loss of Earnings	\$1000
12.	Unintentional Failure to Disclose Hazards	Included
13.	Unintentional Failure to Notify	Included

This endorsement amends coverages provided under the Commercial General Liability Coverage Part through new coverages, higher limits and broader coverage grants.

#### 1. Additional Insured by Contract, Agreement or Permit

The following is added to **SECTION II – WHO IS AN INSURED**:

##### Additional Insured by Contract, Agreement or Permit

- a. Any person or organization with whom you agreed in a written contract, written agreement or permit that such person or organization to add an additional insured on your policy is an additional insured only with respect to liability for “bodily injury”, “property damage”, or “personal and advertising injury” caused, in whole or in part, by your acts or omissions, or the acts or omissions of those acting on your behalf, but only with respect to:

- (1) "Your work" for the additional insured(s) designated in the contract, agreement or permit;

- (2) Premises you own, rent, lease or occupy; or

- (3) Your maintenance, operation or use of equipment leased to you.

- b. The insurance afforded to such additional insured described above:

- (1) Only applies to the extent permitted by law; and

- (2) Will not be broader than the insurance which you are required by the contract, agreement or permit to provide for such additional insured.

- (3) Applies on a primary basis if that is required by the written contract, written agreement or permit.
  - (4) Will not be broader than coverage provided to any other insured.
  - (5) Does not apply if the "bodily injury", "property damage" or "personal and advertising injury" is otherwise excluded from coverage under this Coverage Part, including any endorsements thereto.
- c. This provision does not apply:
- (1) Unless the written contract or written agreement was executed or permit was issued prior to the "bodily injury", "property damage", or "personal injury and advertising injury".
  - (2) To any person or organization included as an insured by another endorsement issued by us and made part of this Coverage Part.
  - (3) To any lessor of equipment:
    - (a) After the equipment lease expires; or
    - (b) If the "bodily injury", "property damage", "personal and advertising injury" arises out of sole negligence of the lessor
  - (4) To any:
    - (a) Owners or other interests from. whom land has been leased which takes place after the lease for the land expires; or
    - (b) Managers or lessors of premises if:
      - (i) The occurrence takes place after you cease to be a tenant in that premises; or
      - (ii) The "bodily injury", "property damage", "personal injury" or "advertising injury" arises out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor.
  - (5) To "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services.
- This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" or the offense which caused the "personal and

advertising injury" involved the rendering of or failure to render any professional services by or for you.

- d. With respect to the insurance afforded to these additional insureds, the following is added to **SECTION III – LIMITS OF INSURANCE**:

The most we will pay on behalf of the additional insured for a covered claim is the lesser of the amount of insurance:

- 1. Required by the contract, agreement or permit described in Paragraph a.; or
- 2. Available under the applicable Limits of Insurance shown in the Declarations.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

## 2. Additional Insured – Primary and Non-Contributory

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 4. Other insurance:

### Additional Insured – Primary and Non-Contributory

If you agree in a written contract, written agreement or permit that the insurance provided to any person or organization included as an Additional Insured under **SECTION II – WHO IS AN INSURED**, is primary and non-contributory, the following applies:

If other valid and collectible insurance is available to the Additional Insured for a loss covered under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

#### a. Primary Insurance

This insurance is primary to other insurance that is available to the Additional Insured which covers the

Additional Insured as a Named Insured. We will not seek contribution from any other insurance available to the Additional Insured except:

- (1) For the sole negligence of the Additional Insured;
- (2) When the Additional Insured is an Additional Insured under another primary liability policy; or
- (3) when b. below applies.

If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

**b. Excess Insurance**

(1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(b) That is Fire insurance for premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner;

(c) That is insurance purchased by the Additional Insured to cover the Additional Insured's liability as a tenant for "property damage" to premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner; or

(d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**.

(2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other Insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each

insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers

**3. Blanket Waiver of Subrogation**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us:**

We waive any right of recovery we may have against any person or organization with whom you have a written contract that requires such waiver because of payments we make for damage under this coverage form. The damage must arise out of your activities under a written contract with that person or organization. This waiver applies only to the extent that subrogation is waived under a written contract executed prior to the "occurrence" or offense giving rise to such payments.

**4. Bodily Injury Redefined**

**SECTION V – DEFINITIONS**, Definition 3. "bodily injury" is replaced by the following:

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these at any time. "Bodily injury" includes mental anguish or other mental injury resulting from "bodily injury".

**5. Broad Form Property Damage – Borrowed Equipment, Customers Goods, Use of Elevators**

a. **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph 2. **Exclusions** subparagraph j. is amended as follows:

Paragraph (4) does not apply to "property damage" to borrowed equipment while at a jobsite and not being used to perform operations.

Paragraphs (3), (4) and (6) do not apply to "property damage" to "customers goods" while on your premises nor do they apply to the use of elevators at premises you own, rent, lease or occupy.

b. The following is added to **SECTION V – DEFINITIONS:**

24. "Customers goods" means property of your customer on your premises for the purpose of being:

- a. worked on; or
- b. used in your manufacturing process.
- c. The insurance afforded under this provision is excess over any other valid and collectible property insurance (including deductible) available to the insured whether primary, excess, contingent

**6. Knowledge of Occurrence**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 2. **Duties in the Event of Occurrence, Offense, Claim or Suit:**

- e. Notice of an "occurrence", offense, claim or "suit" will be considered knowledge of the insured if reported to an individual named insured, partner, executive officer or an "employee" designated by you to give us such a notice.

**7. Liberalization Clause**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

**Liberalization Clause**

If we adopt any revision that would broaden the coverage under this Coverage Form without additional premium, within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

**8. Medical Payments – Extended Reporting Period**

- a. **SECTION I – COVERAGES, COVERAGE C – MEDICAL PAYMENTS**, Paragraph 1. **Insuring Agreement**, subparagraph a.(3)(b) is replaced by the following:
  - (b) The expenses are incurred and reported to us within three years of the date of the accident; and
- b. This coverage does not apply if **COVERAGE C – MEDICAL PAYMENTS** is excluded either by the provisions of the Coverage Part or by endorsement.

**9. Newly Acquired Or Formed Organizations**

**SECTION II – WHO IS AN INSURED**, Paragraph 3.a. is replaced by the following:

- a. Coverage under this provision is afforded until the end of the policy period.

**10. Non-Owned Watercraft**

**SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph 2. **Exclusions**, subparagraph g.(2) is replaced by the following:

**g. Aircraft, Auto Or Watercraft**

(2) A watercraft you do not own that is:

- (a) Less than 51 feet long; and
- (b) Not being used to carry persons or property for a charge;

This provision applies to any person who, with your consent, either uses or is responsible for the use of a watercraft.

**11. Supplementary Payments Increased Limits**

**SECTION I – SUPPLEMENTARY PAYMENTS COVERAGES A AND B**, Paragraphs 1.b. and 1.d. are replaced by the following:

**1.b.** Up to \$2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

**1.d.** All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$1000 a day because of time off from work.

**12. Unintentional Failure to Disclose Hazards**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 6. **Representations:**

We will not disclaim coverage under this Coverage Part if you fail to disclose all hazards existing as of the inception date of the policy provided such failure is not intentional.

**13. Unintentional Failure to Notify**

The following is added to **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 2. **Duties in the Event of Occurrence, Offense, Claim or Suit:**

Your rights afforded under this policy shall not be prejudiced if you fail to give us notice of an "occurrence", offense, claim or "suit", solely due to your reasonable and documented belief that the "bodily injury" or "property damage" is not covered under this policy.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## COMMERCIAL GENERAL LIABILITY ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

#### SUMMARY OF COVERAGES

1.	Additional Insured – Broad Form Vendors	Included
2.	Aggregate Limit per Location	Included
3.	Alienated Premises	Included
4.	Broad Form Named Insured	Included
5.	Extended Property Damage	Included
6.	Incidental Malpractice (Employed nurses, EMT's & paramedics)	Included
7.	Mobile Equipment Redefined	Included
8.	Personal Injury – Broad Form	Included
9.	Product Recall Expense	
	- Product Recall Expense Each Occurrence Limit	\$25,000
	- Product Recall Expense Aggregate Limit	\$50,000
	- Product Recall Deductible	\$500
10.	Property Damage Legal Liability – Broad Form	
	- Fire, Lightning, Explosion, Smoke and Leakage from Fire Protective Systems Damage Limit	\$1,000,000

This endorsement amends coverages provided under the Commercial General Liability Coverage Part through new coverages, higher limits and broader coverage grants.

#### 1. Additional Insured – Broad Form Vendors

The following is added to **SECTION II – WHO IS AN INSURED**:

##### Additional Insured – Broad Form Vendors

- a. Any person or organization that is a vendor with whom you agreed in a written contract or written agreement to include as an additional insured under this Coverage Part is an insured, but only with respect to liability for "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business.
- b. The insurance afforded to such vendor described above:
  - (1) Only applies to the extent permitted by law;
  - (2) Will not be broader than the insurance which you are required by the contract or agreement to provide for such vendor;
  - (3) Will not be broader than coverage provided to any other insured; and

- (4) Does not apply if the "bodily injury", "property damage" or "personal and advertising injury" is otherwise excluded from coverage under this Coverage Part, including any endorsements thereto

- c. With respect to insurance afforded to such vendors, the following additional exclusions apply:

The insurance afforded to the vendor does not apply to:

- (1) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reasons of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (2) Any express warranty unauthorized by you;
- (3) Any physical or chemical change in the product made intentionally by the vendor;
- (4) Repackaging, unless unpacked solely for the purpose of inspection, demonstration,



testing, or the substitution of parts under instruction from the manufacturer, and then repackaged in the original container;

- (5) Any failure to make such inspection, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business in connection with the sale of the product;
  - (6) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
  - (7) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor;
  - (8) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
    - (a) The exceptions contained within the exclusion in subparagraphs (4) or (6) above; or
    - (b) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
  - (9) "Bodily injury" or "property damage" arising out of an "occurrence" that took place before you have signed the contract or agreement with the vendor.
  - (10) To any person or organization included as an insured by another endorsement issued by us and made part of this Coverage Part.
  - (11) Any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
- d. With respect to the insurance afforded to these vendors, the following is added to **SECTION III – LIMITS OF INSURANCE:**
- The most we will pay on behalf of the vendor for a covered claim is the lesser of the amount of insurance:
1. Required by the contract or agreement described in Paragraph a.; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

## 2. Aggregate Limit Per Location

- a. **SECTION III – LIMITS OF INSURANCE**, the General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.

- b. For purpose of this coverage only, the following is added to **SECTION V – DEFINITIONS:**

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

## 3. Alienated Premises

**SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph 2. **Exclusions**, subparagraph j.(2) is replaced by the following:

- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises and occurred from hazards that were known by you, or should have reasonably been known by you, at the time the property was transferred or abandoned.

## 4. Broad Form Named Insured

If you are designated in the Declarations as anything other than an individual, then any organization:

- a. Over which you maintained a combined ownership interest of more than 50% on the effective date of this policy;
- b. That is not a partnership, joint venture or limited liability company; and
- c. That is not excluded by any endorsement to this policy, will qualify as a Named Insured if there is no other similar insurance available to that organization, or that would be available but for exhaustion of its limits.

Any such organization will cease to qualify as a Named Insured as of the date during the policy period when the combined ownership interest of the Named Insureds in the organization equals or falls below 50%.

## 5. Extended Property Damage

**SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph 2. **Exclusions**, subparagraph a. is replaced by the following:



**a. Expected Or Intended Injury**

Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

**6. Incidental Malpractice – Employed Nurses, EMT's and Paramedics**

**SECTION II – WHO IS AN INSURED**, paragraph **2.a.(1)(d)** does not apply to a nurse, emergency medical technician or paramedic employed by you if you are not engaged in the business or occupation of providing medical, paramedical, surgical, dental, x-ray or nursing services.

**7. Mobile Equipment Redefined**

**SECTION V – DEFINITIONS**, Definition **12**. "Mobile Equipment", paragraph **f.(1)** does not apply to self-propelled vehicles of less than 1,000 pounds gross vehicle weight.

**8. Personal Injury – Broad Form**

**a. SECTION I – COVERAGES, COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**, Paragraph **2. Exclusions**, subparagraph **e.** is deleted.

**b. SECTION V – DEFINITIONS**, Definition **14**, "Personal and advertising injury" subparagraph **b.** is replaced by the following:

**b.** Malicious prosecution or abuse of process.

**c.** The following is added to **SECTION V – DEFINITIONS**, Definition **14**. "Personal and advertising injury":

"Discrimination" (unless insurance thereof is prohibited by law) that results in injury to the feelings or reputation of a natural person, but only if such "discrimination" is:

**(1)** Not done intentionally by or at the direction of:

**(a)** The insured;

**(b)** Any officer of the corporation, director, stockholder, partner or member of the insured; and

**(2)** Not directly or indirectly related to an "employee", not to the employment, prospective employment or termination of any person or persons by an insured.

**d.** The following is added to **SECTION V – DEFINITIONS**:

"Discrimination" means the unlawful treatment of individuals based upon race, color, ethnic origin, gender, religion, age, or sexual preference. "Discrimination" does not

include the unlawful treatment of individuals based upon developmental, physical, cognitive, mental, sensory or emotional impairment or any combination of these.

**e.** This coverage does not apply if **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY** is excluded either by the provisions of the Coverage Form or by endorsement.

**9. Product Recall Expense**

**a. SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, Paragraph **2. Exclusions**, subparagraph **n.** is replaced by the following:

**n. Recall of Products, Work or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

**(1)** "Your product";

**(2)** "Your work"; or

**(3)** "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it, but this exclusion does not apply to "product recall expenses" that you incur for the "covered recall" of "your product".

However, this exception to the exclusion does not apply to "product recall expenses" resulting solely from:

**(4)** Failure of any products to accomplish their intended purpose;

**(5)** Breach of warranties of fitness, quality, durability or performance;

**(6)** Loss of customer approval, or any cost incurred to regain customer approval;

**(7)** Redistribution or replacement of "your product" which has been recalled by like products or substitutes;

**(8)** Caprice or whim of the insured;

**(9)** A condition likely to cause loss of which any insured knew or had reason to know at the inception of this insurance;

- (10) Asbestos, including loss, damage or clean up resulting from asbestos or asbestos containing materials;
  - (11) Recall of "your products" that have no known or suspected defect solely because a known or suspected defect in another of "your products" has been found.
- b. The following is added to **SECTION II – WHO IS AN INSURED**, Paragraph 3.
- COVERAGE A** does not apply to "product recall expense" arising out of any withdrawal or recall that occurred before you acquired or formed the organization.
- c. For the purposes of this endorsement only, the following is added to **SECTION III – LIMITS OF INSURANCE**:
- Product Recall Expense Limits of Insurance**
- a. The Limits of Insurance shown in the SUMMARY OF COVERAGES of this endorsement and rules stated below fix the most we will pay under this Product Recall Expense Coverage regardless of the number of:
    - (1) Insureds:
    - (2) "Covered Recalls" initiated: or
    - (3) Number of "your products" withdrawn.
  - b. The Product Recall Expense Aggregate Limit is the most we will reimburse you for the sum of all "product recall expenses" incurred for all "covered recalls" initiated during the policy period.
  - c. The Product Recall Expense Each Occurrence Limit is the most we will pay in connection with any one defect or deficiency.
  - d. All "product recall expenses" in connection with substantially the same general harmful condition will be deemed to arise out of the same defect or deficiency and considered one "occurrence".
  - e. Any amount reimbursed for "product recall expenses" in connection with any one "occurrence" will reduce the amount of the Product Recall Expense Aggregate Limit available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.
  - f. If the Product Recall Expense Aggregate Limit has been reduced by reimbursement of "product recall

expenses" to an amount that is less than the Product Recall Expense Each Occurrence Limit, the remaining Product Recall Expense Aggregate Limit is the most that will be available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.

**g. Product Recall Deductible**

We will only pay for the amount of "product recall expenses" which are in excess of the \$500 Product Recall Deductible. The Product Recall Deductible applies separately to each "covered recall". The limits of insurance will not be reduced by the amount of this deductible.

We may, or will if required by law, pay all or any part of any deductible amount, if applicable. Upon notice of our payment of a deductible amount, you shall promptly reimburse us for the part of the deductible amount we paid.

The Product Recall Expense Limits of Insurance apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for the purposes of determining the Limits of Insurance.

**d. The following is added to SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, Paragraph 2. Duties in the Event of Occurrence, Offense, Claim or Suit:**

You must take the following actions in the event of an actual or anticipated "covered recall" that may result in "product recall expense":

- (1) Give us prompt notice of any discovery or notification that "your product" must be withdrawn or recalled, including a description of "your product" and the reason for the withdrawal or recall; and
- (2) Cease any further release, shipment, consignment or any other method of distribution of like or similar products until it has been determined that all such products are free from defects that could be a cause of loss under this insurance.

- e. The following definitions are added to **SECTION V – DEFINITIONS**:

"Covered recall," means a recall made necessary because you or a government body has determined that a known or suspected defect, deficiency, inadequacy, or dangerous condition in "your product" has resulted or will result in "bodily injury" or "property damage".

"Product recall expense" means:

- a. Necessary and reasonable expenses for:

- (1) Communications, including radio or television announcements or printed advertisements including stationery, envelopes and postage;
- (2) Shipping the recalled products from any purchaser, distributor or user to the place or places designated by you;
- (3) Remuneration paid to your regular "employees" for necessary overtime;
- (4) Hiring additional persons, other than your regular "employees";
- (5) Expenses incurred by "employees" including transportation and accommodations;
- (6) Expenses to rent additional warehouse or storage space;
- (7) Disposal of "your product", but only to the extent that specific methods of destruction other than those employed for trash discarding or disposal are required to avoid "bodily injury" or "property damage" as a result of such disposal;

You incur exclusively for the purpose of recalling "your product"; and

- b. Your lost profit resulting from such "covered recall".
- f. This Product Recall Expense Coverage does not apply:
- (1) If the "products – completed operations hazard" is excluded from coverage under this Coverage Part including any endorsement thereto; or
  - (2) To "product recall expense" arising out of any of "your products" that are otherwise excluded from coverage under this Coverage Part including endorsements thereto.

#### 10. Property Damage Legal Liability – Broad Form

- a. **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, the last paragraph (after the exclusions) is replaced by the following:

Exclusions c. through n. do not apply to damage by fire, lightning, explosion, smoke or leakage from fire protective systems to premises while rented to you or temporarily occupied by you with the permission of the owner. A separate limit of insurance applies to this coverage as described in **SECTION III – LIMITS OF INSURANCE**.

- b. **SECTION III – LIMITS OF INSURANCE**, Paragraph 6. is replaced by the following:

6. Subject to Paragraph 5. above, The Damage to Premises Rented to You Limit is the most we will pay under **COVERAGE A** for damages because of "property damage" to any one premises from fire, lightning, explosion, smoke and leakage from fire protective systems to premises, while rented to you or temporarily occupied by you with permission of the owner.

The Damage to Premises Rented to You Limit is the higher of:

- a. \$1,000,000; or
- b. The Damage to Premises Rented to You Limit shown in the Declarations.

This limit will apply to all damage caused by the same event, whether such damage results from fire, lightning, explosion, smoke, leakage from fire protective systems or any combination of any of these.

- c. **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Paragraph 4. **Other Insurance**, subparagraph b. **Excess Insurance**, item (a)(ii) is replaced by the following:

- (ii) That is fire, lightning, explosion, smoke or leakage from fire protective systems insurance for premises rented to you or temporarily occupied by you with permission of the owner; or

- d. **SECTION V – DEFINITIONS**, Definition 9. "Insured contract", Paragraph a. is replaced by the following:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, explosion, smoke or leakage from fire protective systems to

premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract".

- e. This coverage does not apply if Damage to Premises Rented to You is excluded either by the provisions of the Coverage Part or by endorsement.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

**COMMERCIAL GENERAL LIABILITY**  
**CG 00 01 04 13**

# COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

## SECTION I – COVERAGES

### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".



## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".



**f. Pollution**

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

**g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

**h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

**i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;

- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions **c.** through **n.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section **III – Limits Of Insurance**.

## **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Insuring Agreement**

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:
- (1) The amount we will pay for damages is limited as described in Section **III – Limits Of Insurance**; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B**.

- b.** This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

### **2. Exclusions**

This insurance does not apply to:

#### **a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

#### **b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

#### **c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

#### **d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

#### **e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

#### **f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

#### **g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

#### **h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

**i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

**j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.



## COVERAGE C – MEDICAL PAYMENTS

### 1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
  - (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
 provided that:
  - (a) The accident takes place in the "coverage territory" and during the policy period;
  - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
  - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
  - (1) First aid administered at the time of an accident;
  - (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
  - (3) Necessary ambulance, hospital, professional nursing and funeral services.

### 2. Exclusions

We will not pay expenses for "bodily injury":

- a. **Any Insured**  
To any insured, except "volunteer workers".
- b. **Hired Person**  
To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. **Injury On Normally Occupied Premises**  
To a person injured on that part of premises you own or rent that the person normally occupies.

### d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

### e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

### f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

### g. Coverage A Exclusions

Excluded under Coverage A.

## SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

- 1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
  - a. All expenses we incur.
  - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
  - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
  - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
  - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.



- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
  - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - b. This insurance applies to such liability assumed by the insured;
  - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - f. The indemnitee:
    - (1) Agrees in writing to:
      - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
      - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
      - (c) Notify any other insurer whose coverage is available to the indemnitee; and
      - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
    - (2) Provides us with written authorization to:
      - (a) Obtain records and other information related to the "suit"; and
      - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

## SECTION II – WHO IS AN INSURED

- 1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

**2. Each of the following is also an insured:**

- a.** Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
  - (1)** "Bodily injury" or "personal and advertising injury":
    - (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
    - (b)** To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;
    - (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **(1)(a)** or **(b)** above; or
    - (d)** Arising out of his or her providing or failing to provide professional health care services.
  - (2)** "Property damage" to property:
    - (a)** Owned, occupied or used by;
    - (b)** Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by; you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b.** Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c.** Any person or organization having proper temporary custody of your property if you die, but only:

- (1)** With respect to liability arising out of the maintenance or use of that property; and
- (2)** Until your legal representative has been appointed.

- d.** Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

- 3.** Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a.** Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b.** Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c.** Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

**SECTION III – LIMITS OF INSURANCE**

- 1.** The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a.** Insureds;
  - b.** Claims made or "suits" brought; or
  - c.** Persons or organizations making claims or bringing "suits".
- 2.** The General Aggregate Limit is the most we will pay for the sum of:
  - a.** Medical expenses under Coverage **C**;
  - b.** Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c.** Damages under Coverage **B**.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage **A**; and
  - b. Medical expenses under Coverage **C** because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

#### **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**

##### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

##### **3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

#### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

##### a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

##### b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

##### c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### 5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### 6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;



- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

#### **7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

#### **8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

#### **9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

#### **SECTION V – DEFINITIONS**

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
  - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
    - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;
 provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

**9. "Insured contract" means:**

- a.** A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b.** A sidetrack agreement;
- c.** Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d.** An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e.** An elevator maintenance agreement;
- f.** That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a)** Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

**10. "Leased worker" means** a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

**11. "Loading or unloading" means** the handling of property:

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**12. "Mobile equipment" means** any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1)** Power cranes, shovels, loaders, diggers or drills; or
  - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2)** Cherry pickers and similar devices used to raise or lower workers;
- f.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.



However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**13.** "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

**14.** "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

**15.** "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**16.** "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
  - (a) When all of the work called for in your contract has been completed.
  - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
  - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

**17.** "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**18.** "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a.** An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b.** Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

**19.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

**20.** "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

**21.** "Your product":

**a.** Means:

- (1)** Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a)** You;
  - (b)** Others trading under your name; or
  - (c)** A person or organization whose business or assets you have acquired; and
- (2)** Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b.** Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2)** The providing of or failure to provide warnings or instructions.

**c.** Does not include vending machines or other property rented to or located for the use of others but not sold.

**22.** "Your work":

**a.** Means:

- (1)** Work or operations performed by you or on your behalf; and
- (2)** Materials, parts or equipment furnished in connection with such work or operations.

**b.** Includes:

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2)** The providing of or failure to provide warnings or instructions.

**COMMERCIAL GENERAL LIABILITY  
CG 02 00 01 18**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ILLINOIS CHANGES – CANCELLATION  
AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PRODUCT WITHDRAWAL COVERAGE PART

**A. Cancellation** (Common Policy Conditions) is replaced by the following:

**Cancellation**

1. The first Named Insured shown in the Declarations may cancel this Policy by mailing to us advance written notice of cancellation.
2. We may cancel this Policy by mailing to you, at your last mailing address known to us, written notice stating the reason for cancellation. Proof of mailing will be sufficient proof of notice. If we cancel:
  - a. For nonpayment of premium, we will mail the notice at least 10 days prior to the effective date of cancellation.
  - b. For a reason other than nonpayment of premium, we will mail the notice at least:
    - (1) 30 days prior to the effective date of cancellation if the Policy has been in effect for 60 days or less.
    - (2) 60 days prior to the effective date of cancellation if the Policy has been in effect for more than 60 days.
3. If this Policy has been in effect for more than 60 days, we may cancel only for one or more of the following reasons:
  - a. Nonpayment of premium;
  - b. The Policy was obtained through a material misrepresentation;

- c. Any insured has violated any of the terms and conditions of the Policy;
- d. The risk originally accepted has measurably increased;
- e. Certification to the Director of Insurance of the loss of reinsurance by the insurer that provided coverage to us for all or a substantial part of the underlying risk insured; or
- f. A determination by the Director of Insurance that the continuation of the Policy could place us in violation of the insurance laws of this State.
4. Notification of cancellation will also be sent to your broker, if known, or agent of record, if known.
5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
6. If this Policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be less than pro rata. The cancellation will be effective even if we have not offered a refund.

- B. The following is added and supersedes any provision to the contrary:

**Nonrenewal**

If we decide not to renew or continue this Policy, we will mail you written notice, stating the reason for nonrenewal, at least 60 days before the end of the policy period. Proof of mailing will be sufficient proof of notice. Notification of nonrenewal will also be sent to your broker, if known, or agent of record, if known. If we offer to renew or continue and you do not accept, this Policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this Policy will end on the effective date of that insurance.

POLICY NUMBER: ZBC D713544 02

COMMERCIAL GENERAL LIABILITY  
CG 04 35 12 07**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****EMPLOYEE BENEFITS LIABILITY COVERAGE****THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.  
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Coverage	Limit Of Insurance		Each Employee Deductible	Premium
Employee Benefits Programs	\$1,000,000	each employee	\$1,000	\$316
	\$3,000,000	aggregate		
Retroactive Date:	12/31/2017			
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.				

**A. The following is added to Section I – Coverages:****COVERAGE – EMPLOYEE BENEFITS LIABILITY****1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph D. (Section III – Limits Of Insurance); and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

**b. This insurance applies to damages only if:**

- (1) The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";
- (2) The act, error or omission, did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and
- (3) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph c. below, during the policy period or an Extended Reporting Period we provide under Paragraph F. of this endorsement.

**c. A "claim" seeking damages will be deemed to have been made at the earlier of the following times:**

- (1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or

- (2) When we make settlement in accordance with Paragraph **a.** above.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

- d. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

## 2. Exclusions

This insurance does not apply to:

### a. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

### b. Bodily Injury, Property Damage, Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

### c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

### d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

### e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any "claim" based upon:

- (1) Failure of any investment to perform;
- (2) Errors in providing information on past performance of investment vehicles; or
- (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

### f. Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

### g. ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

### h. Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

### i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

### j. Employment-Related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

### B. For the purposes of the coverage provided by this endorsement:

1. All references to Supplementary Payments – Coverages **A** and **B** are replaced by Supplementary Payments – Coverages **A**, **B** and **Employee Benefits Liability**.
2. Paragraphs **1.b.** and **2.** of the Supplementary Payments provision do not apply.

### C. For the purposes of the coverage provided by this endorsement, Paragraphs **2.** and **4.** of **Section II – Who Is An Insured** are replaced by the following:

#### 2. Each of the following is also an insured:

- a. Each of your "employees" who is or was authorized to administer your "employee benefit program".
- b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.



- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.
- 3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However:
  - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
  - b. Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.
- D. For the purposes of the coverage provided by this endorsement, **Section III - Limits Of Insurance** is replaced by the following:

#### 1. Limits Of Insurance

- a. The Limits of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
  - (1) Insureds;
  - (2) "Claims" made or "suits" brought;
  - (3) Persons or organizations making "claims" or bringing "suits";
  - (4) Acts, errors or omissions; or
  - (5) Benefits included in your "employee benefit program".
- b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
- c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:
  - (1) An act, error or omission; or
  - (2) A series of related acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations of the policy to which this endorsement is attached, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance.

#### 2. Deductible

- a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
- b. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
- c. The terms of this insurance, including those with respect to:
  - (1) Our right and duty to defend any "suits" seeking those damages; and
  - (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim"

apply irrespective of the application of the deductible amount.
- d. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.
- E. For the purposes of the coverage provided by this endorsement, Conditions 2. and 4. of **Section IV - Commercial General Liability Conditions** are replaced by the following:
  - 2. **Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"**
    - a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
      - (1) What the act, error or omission was and when it occurred; and

- (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

**b.** If a "claim" is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

**c.** You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.

**d.** No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

**4. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

**a. Primary Insurance**

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

**b. Excess Insurance**

- (1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:
  - (a) No Retroactive Date is shown in the Schedule of this insurance; or
  - (b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.
- (2) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self-insured amounts under all that other insurance.
- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Schedule of this endorsement.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance to the total applicable limits of insurance of all insurers.

- F. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added, or, if this endorsement is attached to a claims-made Coverage Part, replaces any similar Section in that Coverage Part:

#### **EXTENDED REPORTING PERIOD**

1. You will have the right to purchase an Extended Reporting Period, as described below, if:
  - a. This endorsement is canceled or not renewed; or
  - b. We renew or replace this endorsement with insurance that:
    - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
    - (2) Does not apply to an act, error or omission on a claims-made basis.
2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.
3. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a. The "employee benefit programs" insured;
- b. Previous types and amounts of insurance;
- c. Limits of insurance available under this endorsement for future payment of damages; and
- d. Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.

4. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.

Paragraph **D.1.b.** of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph **D.1.c.**

- G. For the purposes of the coverage provided by this endorsement, the following definitions are added to the **Definitions** Section:

1. "Administration" means:

- a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
- b. Handling records in connection with the "employee benefit program"; or
- c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.

2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
3. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.

4. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:
  - a. Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts; provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
  - b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
  - c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
  - d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
  - e. Any other similar benefits designated in the Schedule or added thereto by endorsement.
- H. For the purposes of the coverage provided by this endorsement, Definitions 5. and 18. in the **Definitions** Section are replaced by the following:
  5. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
  18. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:
    - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
    - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

COMMERCIAL GENERAL LIABILITY  
CG 21 06 05 14

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF  
CONFIDENTIAL OR PERSONAL INFORMATION AND  
DATA-RELATED LIABILITY – WITH  
LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion 2.p. of **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

p. **Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

B. The following is added to Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Access Or Disclosure Of Confidential Or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

COMMERCIAL GENERAL LIABILITY  
CG 21 47 12 07

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.



**COMMERCIAL GENERAL LIABILITY  
CG 21 55 09 99**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TOTAL POLLUTION EXCLUSION  
WITH A HOSTILE FIRE EXCEPTION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

Exclusion f. under Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

**f. Pollution**

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

This exclusion does not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:

- (a) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or

- (b) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants".

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

COMMERCIAL GENERAL LIABILITY  
CG 21 67 12 04

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FUNGI OR BACTERIA EXCLUSION**

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

- B. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

- C. The following definition is added to the Definitions Section:**

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

**COMMERCIAL GENERAL LIABILITY  
CG 21 70 01 15**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

- A.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.
- "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
- 1.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  - 2.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

COMMERCIAL GENERAL LIABILITY  
CG 21 76 01 15

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF PUNITIVE DAMAGES  
RELATED TO A CERTIFIED ACT OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**A. The following exclusion is added:**

This insurance does not apply to:

**TERRORISM PUNITIVE DAMAGES**

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

**B. The following definition is added:**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.**

**COMMERCIAL GENERAL LIABILITY  
CG 21 96 03 05**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**SILICA OR SILICA-RELATED DUST EXCLUSION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Silica Or Silica-Related Dust**

- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
- b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

- B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Silica Or Silica-Related Dust**

- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

- C. The following definitions are added to the Definitions Section:**

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

## CYBER LIABILITY COVERAGE PART

### CLAIMS-MADE WARNING

THIS COVERAGE PART INCLUDES COVERAGES WRITTEN ON A CLAIMS-MADE BASIS UNDER INSURING AGREEMENTS A. AND B. SUBJECT TO ITS TERMS, CLAIMS-MADE COVERAGE APPLIES ONLY TO "CLAIMS" FIRST MADE AGAINST THE "INSURED" DURING THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD. PLEASE READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE AND COVERAGE RESTRICTIONS

### "DEFENSE EXPENSES" WITHIN LIMITS AND DEDUCTIBLE

THE LIMITS OF LIABILITY WILL BE REDUCED AND CAN BE COMPLETELY EXHAUSTED BY THE PAYMENT OF COVERED "DEFENSE EXPENSES". IN THE EVENT THAT THE LIMIT OF LIABILITY IS EXHAUSTED, THE "INSURER" SHALL NOT BE LIABLE FOR "DEFENSE EXPENSES", JUDGMENTS OR SETTLEMENTS IN EXCESS OF THE APPLICABLE LIMIT. INSURING AGREEMENTS A. AND B. ARE SUBJECT TO DEDUCTIBLE AMOUNTS STATED IN THE DECLARATIONS. AMOUNTS INCURRED FOR "DEFENSE EXPENSES" ARE SUBJECT TO THE APPLICABLE DEDUCTIBLE

Words and phrases that appear in quotation marks have special meaning. Refer to **SECTION IX – DEFINITIONS**.

### SECTION I – INSURING AGREEMENTS

#### A. Privacy and Security Liability

The "insurer" will pay on behalf of the "insured", "loss" which the "insured" is legally obligated to pay due to a "claim" first made against the "insured" during the "policy period", or Extended Reporting Period if applicable, and which arises out of a "Privacy Breach" or a "Security Breach" to which this insurance applies.

#### B. Cyber Media Liability

The "insurer" will pay on behalf of the "insured", "loss" which the "insured" is legally obligated to pay due to a "claim" first made against the "insured" during the "policy period", or Extended Reporting Period if applicable, and which arises out of a "Cyber Media Breach" to which this insurance applies.

With respect to **Insuring Agreements A. and B.** above, this insurance applies to "Privacy Breach", "Security Breach" or "Cyber Media Breach" only if the "Privacy Breach", "Security Breach" or "Cyber Media Breach" did not occur before the Retroactive Date shown in the Cyber Declarations or after the end of the "policy period". The Retroactive Date is the specific date shown in **Item 4.** of the Cyber Declarations. If 'none' or no date is entered, the Retroactive Date will be the same as the policy inception date shown in **Item 2.** of the Cyber Declarations.

### SECTION II – EXCLUSIONS

This insurance does not apply to any "loss" or "claim":

#### A. Prior Notice

Based upon, arising out of or in any way related to any "Security Breach", "Privacy Breach", "Cyber Media Breach", investigation, proceeding, act, event, transaction, decision, fact, circumstance or situation which has been the subject of any notice

given to any other insurer, under any similar prior Policy or Coverage Part of which this Policy or Coverage Part is a direct or indirect renewal or replacement.

#### B. Past Events

Based upon, arising out of or in any way related to any "Security Breach", "Privacy Breach", "Cyber Media Breach", investigation, proceeding, act, event, result, damage, transaction, decision, fact, circumstance or situation which occurred, in whole or in part, prior:

1. To the applicable Retroactive Date set forth in **Item 4.** of the Cyber Declarations; or
2. To the date an entity became a "subsidiary".

#### C. Bodily Injury or Property Damage

For the physical injury to or destruction of any tangible property, including loss of use of that property and loss of use of property that is not physically damaged; or for bodily injury, mental anguish, humiliation, emotional distress, disability, sickness, disease, death, assault or battery sustained by any individual, however this Exclusion shall not apply to "loss" due to a "claim" for any mental anguish, humiliation or emotional distress resulting from a "Privacy Breach" or "Cyber Media Breach".

#### D. Conduct

Based upon, arising out of or in any way related to any dishonest or fraudulent act or omission, or a willful violation of any statute or regulation. However, this Exclusion shall not apply to "defense expenses" unless and until a final or non-appealable judgment or adjudication in any underlying proceeding or action establishes such an act or omission or violation.



No conduct pertaining to any “insured individual” shall be imputed to any other “insured individual” for the purpose of determining the applicability of this exclusion. Any conduct pertaining to any past, present or future “executive” of an “insured entity” shall be imputed to such “insured entity” and its “subsidiaries”.

#### **E. Contract**

Based upon, arising out of or in any way related to liability assumed through any oral or written contract or agreement to which an “insured” is a party; however, this Exclusion shall not apply to a “Security Breach” or “Privacy Breach”.

#### **F. Pollution**

Based upon, arising out of or in any way related to:

The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of “pollutants”:

1. “Loss”, cost or expense arising out of any request, demand, order or statutory or regulatory requirement that any “insured” or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of “pollutants”; or
2. Any regulation, direction, request or order by or on behalf of a governmental authority to test for, monitor, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of “pollutants”.

#### **G. Nuclear**

Based upon, arising out of or in any way related to the radioactive, toxic, or explosive properties of nuclear material which includes, but is not limited to, Source Material, Special Nuclear Material and Byproduct Material as those terms are defined in the Atomic Energy Act of 1954 and any amendments thereto, and any similar provisions of any federal, state or local statutory or common law.

#### **H. Intentional or Willful Complicity**

Based upon, arising out of or in any way related to the “insured’s” intentional or willful complicity in a covered “loss” event.

#### **I. Prior & Pending Proceedings**

Based upon, arising out of or in any way related to any litigation, administrative or arbitration proceeding, written demand pending against an “insured”, or any order, decree or judgment entered prior to or on the Prior & Pending Proceedings Date set forth in the Cyber Declarations.

#### **J. Patent Infringement & Trade Secrets**

Based upon, arising out of or in any way related to any infringement of a patent or trade secret.

#### **K. Intellectual Property**

For a “Cyber Media Breach” that is based upon, arising out of or in any way related to any:

- a. Distribution or sale of, or offer to distribute or sell, any good, product or service; or
- b. Other use of any good, product or service that infringes or violates an intellectual property law or right.

#### **L. Websites**

Based upon, arising out of or in any way related to:

- a. Controlling, creating, designing, or developing any third party’s Website;
- b. Controlling, creating, designing, developing, determining, or providing the content or material of any third party’s Website; or
- c. Controlling, facilitating, or providing, or failing to control, facilitate, or provide, access to the internet.

#### **M. Antitrust**

Based upon, arising out of or in any way related to actual or alleged price fixing, price discrimination, restraint of trade, unfair business practices, monopolistic practices or any actual or alleged violations of the Sherman Antitrust Act of 1890 or the Clayton Act of 1914, and any amendments thereto, the Robinson-Patman Act of 1938, the Federal Trade Commission Act of 1914 or any rules or regulations promulgated in connection with such statutes, or any similar provisions of any federal, state or local statutory law or common law anywhere in the world. However, this Exclusion shall not apply to “loss” for a “claim” arising out of a “Privacy Breach”.

#### **N. ERISA**

For any actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the English Pension Scheme Act 1993 or the English Pensions Act 1995, all as amended, or any similar statutory or common law anywhere in the world including rules or regulations promulgated thereunder.

#### **O. “Insured” vs. “Insured”**

Brought by or on behalf of a natural person who is a director, chairperson, or “executive” of any “insured entity” or who holds a similar title or position within any “insured entity”.

#### **P. Software & Computer Code**

Based upon, arising out of or in any way related to any infringement of, violation of, or assertion of,

any right to or interest in any software or its source content or material; "computer" code or its source content or material or expression method; or process designed to control or facilitate any operation or other use of a "computer" or automated "system".

#### Q. Warranty

Based upon, arising out of or in any way related to the failure of goods, products, or "services" to conform with any electronic, oral, written, or other representation or warranty with respect to durability, fitness, performance, quality or use.

### SECTION III – DEFENSE AND SETTLEMENT OF "CLAIMS"

- A. The "insurer" shall have the right and duty to defend any "claim" covered by this Coverage Part even if the allegation of such "claim" is groundless, false or fraudulent. The "insurer" has no duty to defend any "claim" or pay "defense expenses" for "claims" to which this insurance does not apply. The right and duty to defend any "claim" covered under this Coverage Part shall cease when the applicable Limit of Liability for the Privacy and Security Liability or the Cyber Media Liability Insuring Agreements, or the Maximum Aggregate Limit of Liability on the Cyber Declarations has been exhausted by the payment of "loss".
- B. The "insured" shall provide all information in connection with any "claim" and cooperate with the "insurer" in the investigation, defense and settlement of any "claim".
- C. No "insured" shall settle any "claim", voluntarily make any payment, assume any obligation, or incur any "defense expense" related to a "claim" without the "insurer's" consent.
- D. The "insurer" may conduct any investigation it deems necessary and settle any "claim" subject to the "named insured's" written consent to settle which shall not be unreasonably withheld. If any "insured" refuses to consent to the settlement of any "claim" which the "insurer" recommends and which is acceptable to the claimant, subject to the applicable Limit of Liability or Deductible, the "insurer's" liability for all "loss" from such "claim" shall not exceed the amount the "insurer" would have contributed to the settlement including "defense expenses" incurred up to the date of such refusal.
- E. The "insurer" shall not seek repayment from an "insured individual" of any "defense expenses" paid by the "insurer" that are deemed uninsured pursuant to **SECTION II – EXCLUSIONS Paragraph D. Conduct**, unless the applicable determination standard set forth in such Exclusion has been met.

- F. If the "insurer" is prevented by law or otherwise unable to defend or investigate a "claim" brought outside the United States, the "insured" under the "insurer's" supervision may arrange for the investigation, appointment of counsel and defense of such "claim". Subject to the applicable Limit of Liability and Deductible, the "insurer" will reimburse the "insured" for any reasonable and necessary "defense expenses" for such "claim".

### SECTION IV – LIMIT OF LIABILITY

Regardless of the number of "insureds", "claims", or claimants the "insurer's" liability under this Coverage Part is limited as follows:

- A. The Maximum Aggregate Limit of Liability shown in **Item 3.** of the Cyber Declarations is the most the "insurer" will pay under this Coverage Part during the "policy period" for the total of all "loss" arising from "claims" or "related claims" to which the insurance applies.
- B. Subject to the Maximum Aggregate Limit, the Limit of Liability shown in **Item 4.** of the Cyber Declarations for **Insuring Agreement A. Privacy and Security Liability** is the most the "insurer" will pay for "loss" due to "claims" or "related claims" arising out of a "Privacy Breach" or a "Security Breach" to which the insurance applies.
- C. Subject to the Maximum Aggregate Limit, the Limit of Liability shown in **Item 4.** of the Cyber Declarations for **Insuring Agreement B. Cyber Media Liability** is the most the "insurer" will pay for "loss" due to "claims" or "related claims" arising out of a "Cyber Media Breach" to which the insurance applies.
- D. If a "claim" or "related claim" is covered by more than one Insuring Agreement under this Policy or Coverage Part, then the maximum amount payable under all Insuring Agreements combined shall not exceed the largest applicable Limit of Liability.
- E. The Limit of Liability for any Extended Reporting Period, if applicable, shall be part of and not in addition to the Maximum Aggregate Limit of Liability shown in **Item 3.** of the Cyber Declarations.

### SECTION V – DEDUCTIBLE

- A. The "insurer's" liability under this Coverage Part applies only to that part of covered "loss" which is in excess of the applicable Deductible stated in **Item 4.** of the Cyber Declarations.
- B. In the event that different parts of a "claim" or "related claim" are covered under more than one Insuring Agreement, only the largest applicable Deductible amount will be applied.
- C. "Claims" or "related claims" are subject to the Deductibles applicable to the "policy period" during

which such “claims” or “related claims” are deemed to have been made.

- D. The “insurer” may, at its sole discretion, pay all or part of the Deductible amount on behalf of the “insured”. In such an event, the “insured” agrees to repay the “insurer” any amount so paid.

## SECTION VI – REPORTING

- A. An “insured” shall provide the “insurer” with written notice as soon as practicable after an “executive”, chief information officer or any person with responsibility for the management of insurance “claims”, or any equivalent position within the “insured entity” becomes aware of a “claim”, but in no event later than:

1. Ninety (90) days after the effective date of expiration or termination; or
2. The expiration date of the Extended Reporting Period, if applicable.

However, if the “insurer” sends written notice to the “named insured” stating that this Policy is being terminated for nonpayment of premium, an “insured” shall give the “insurer” written notice of such “claim” prior to the effective date of such termination.

- B. If during the “policy period”, or during an applicable Extended Reporting Period, an “insured” becomes aware of an act or circumstances that may subsequently give rise to a “claim” and gives the “insurer” notice of such act or circumstances, then any “claim” subsequently arising from such act or circumstances shall be deemed made against the “insured” during the “policy period” in which the act or circumstances were first reported to the “insurer” provided that any such subsequent “claim” is reported to the “insurer” in accordance with paragraph A. above.

- C. An “insured” must give to the “insurer” the assistance, information and cooperation as the “insurer” may require and shall include in any notice of a “claim”, act or circumstances of a potential “claim”, a description of the “claim”, act or circumstances, the nature of the alleged “Security Breach”, “Privacy Breach” or “Cyber Media Breach”, the nature and amount of alleged or potential damage, the names of actual or potential claimants, and the manner in which the “insured” first became aware of the “claim”, circumstances or alleged “Privacy Breach”, “Security Breach” or “Cyber Media Breach”.

## SECTION VII – CONDITIONS

### A. Representations and Severability

1. No statement, fact pertaining to, or knowledge possessed by any “insured individual” shall be imputed to any other “insured individual”.

2. By accepting this policy, the “named insured” agrees that:

- a. The statements in the Application and Cyber Declarations are accurate and complete;
- b. Those statements are based on representations the “named insured” made to the “insurer”; and
- c. The “insurer” has issued this policy in reliance upon these representations.

The unintentional failure to disclose all hazards existing as of the inception date of the policy will not prejudice the “named insured’s” rights under this policy. However, this provision does not affect the “insurer’s” right to collect additional premium or exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws and regulations.

### B. Spouses, Domestic Partners, Estates and Legal Representatives

Solely with respect to the **Insuring Agreements A. Privacy and Security Liability** and **B. Cyber Media Liability**, coverage shall extend to:

1. A lawful spouse or domestic partner, as defined under any applicable federal, state or local law, of an “insured individual” solely by reason of such person’s status as spouse or domestic partner or such person’s ownership interest in property which the claimant seeks as recovery from an “insured individual”;
2. The estate, heirs, legal representatives or assigns of an “insured individual” if such “insured individual” is deceased, legally incompetent, insolvent or bankrupt.

Coverage shall not apply to “loss” or “claims” for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by an “insured individual’s” spouse, domestic partner, heir, estate, legal representative or assigns.

### C. Legal Proceedings Against Us

1. No individual or entity has a right under this Coverage Part to join the “insurer” as a party or otherwise bring the “insurer” into a suit asking for damages from an “insured” or to sue the “insurer” on this Coverage Part unless all of its terms have been fully complied with.
2. An individual or entity may sue the “insurer” to recover on an agreed settlement or on a final judgment against an “insured” but the “insurer” will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable Limit of Liability. An agreed

settlement means a settlement and release of liability signed by the "insurer", the "insured" and the claimant or the claimant's legal representative.

#### **D. Change In Control or Exposure**

##### **1. Acquisition of the "Named Insured"**

If during the "policy period":

- a. Another individual, entity or group of individuals or entities acquires more than fifty percent (50%) of the assets of the "named insured"; or
- b. Another individual, entity or group of individuals or entities acquires more than fifty percent (50%) of the outstanding securities representing the right to vote for the election of directors, trustees, members of the Board of Managers or management committee members of the "named insured"; or
- c. The "named insured" consolidates or merges with another entity and the "named insured" is not the surviving entity; or
- d. The "named insured" emerges from bankruptcy on an effective date stated in the plan of reorganization; then the coverage provided under this Coverage Part shall continue until the termination or expiration of the "policy period", but only for "claims" for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty which occurs prior to the transaction date of such event.

The "named insured" shall notify the "insurer" of any such event described in paragraphs 1.a. thru 1.d. above as soon as practicable but no later than sixty (60) days after the effective date of the transaction, and provide such additional information as the "insurer" requires.

##### **2. Cessation of "Subsidiaries"**

If before or during the "policy period" an "insured entity" ceases to be a "subsidiary" then coverage for such "subsidiary" and its "insureds" shall continue under all Insuring Agreements until termination or expiration of this "policy period" but only for "claims" for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty that takes place prior to the date such entity ceased to be a "subsidiary".

##### **3. Acquisition of Another Organization**

If before or during the "policy period" the "insured entity" acquires the voting rights of another entity such that the acquired entity

becomes a "subsidiary", then coverage for such "subsidiary" and its "insureds" shall be provided but only for "claims" for any "Privacy Breach", "Security Breach" or "Cyber Media Breach" that takes place after the date such entity became a "subsidiary".

If during the "policy period" the "insured entity" acquires another entity and at the time of such acquisition the entity becomes a "subsidiary" (or would have but for its absorption into the "insured") and the total revenue of the acquired entity exceeded twenty five percent (25%) of the "insured entity" as of the beginning of the "policy period", then the "named insured" shall agree to any amendments to the terms of this Coverage Part, including, but not limited to, any additional premium the "insurer" may require.

#### **E. Subrogation**

If the "insured" has rights to recover all or part of any payment the "insurer" has made under this Coverage Part, those rights are transferred to the "insurer". The "insured" must do nothing after "loss" to impair them. At the request of the "insurer", the "insured" will bring suit or transfer those rights to the "insurer" and help the "insurer" enforce them.

#### **F. Other Insurance**

If other valid and collectible insurance (other than a Policy or Coverage Part issued specifically as excess of this Coverage Part) is available to the "insured" for "loss" covered under this Coverage Part, then the insurance provided by this Coverage Part shall be excess of such other insurance regardless of whether or not such insurance is primary, contributory, excess, contingent or on any other basis.

When this insurance is excess, the "insurer" will have no duty to investigate or defend any "claim" if any other insurer has a duty to defend the "insured" against that "claim". If no other insurer defends, the "insurer" will undertake to do so, but the "insurer" will be entitled to the "insured's" rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the "loss", if any, that exceeds the sum of:

1. The total amount that all such other insurance would pay for the "loss" in the absence of this insurance; and
2. The total of all deductible and self-insured amounts under all that other insurance.



**G. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the "loss" remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**H. Territory**

Coverage applies anywhere in the world, provided that no trade or economic sanction, embargo, insurance or other laws or regulations prohibit the "insurer" from covering the "loss". However, any "claim" made must be brought and held against the "insured" in the United States of America, its territories or possessions, Puerto Rico or Canada.

**I. Cancellation And Non-Renewal**

With regard to the cancellation and non-renewal of this policy, the provisions outlined in the Commercial General Liability Coverage Part and the Common Policy Conditions or the Businessowners Coverage Part, whichever are included in the policy, shall apply and will automatically include the non-renewal or cancellation of this coverage form. You agree that no further notice regarding termination of this Coverage Form will be required.

For the purposes of the Cancellation and Nonrenewal provisions, the words "you" and "your" refer to the "Named Insured" shown in the Declarations, and any other person or organization qualifying as a "Named Insured" under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

**J. Bankruptcy**

Bankruptcy of an "insured" shall not relieve the "insurer" of its obligations under this Coverage Part.

**K. Role of Named "Insured"**

By accepting this Coverage Part, the "named insured" agrees that it is authorized to, and will act on behalf of all "insureds" with respect to any rights provided under this Coverage Part and each "insured" authorizes the "named insured" to act on its behalf with respect to all such matters.

**L. Titles and Headings**

The titles and headings in this Coverage Part are solely for convenience and form no part of the terms and conditions of coverage.

**M. Conformance to Law and Trade Sanctions**

Coverage under this Coverage Part does not apply to the extent trade, economic sanction, insurance or other laws or regulations prohibit the "insurer" from providing insurance. The terms of this Coverage Part which are in conflict with the statutes of the jurisdiction in which this Coverage Part is issued are amended to conform to those statutes.

**N. Two or More Coverage Parts, Forms, Endorsements or Policies Issued By The "Insurer"**

It is the "insurer's" stated intent that the various coverage parts, forms, endorsements or policies issued to the "named insured" by the "insurer" or any company affiliated with the "insurer"; do not provide any duplication or overlap of coverage for the same "claim" or "loss". If this coverage part and any other coverage part, form, endorsement or policy issued to the "named insured" by the "insurer", or any company affiliated with the "insurer", apply to the same "claim" or "loss"; the maximum Limit of Liability under all such coverage parts, forms, endorsements or policies combined shall not exceed the highest applicable Limit of Liability under any one coverage part, form, endorsement or policy.

This condition does not apply to any Excess or Umbrella Policy issued by the "insurer" specifically to apply as excess insurance over this policy or Coverage Part.

**O. Due Diligence**

The "named insured" agrees to use due diligence to prevent and mitigate "loss" covered under this Coverage Part. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for providing and maintaining the following:

1. Physical security for the "named insured's" premises, "computer" "systems" and hard copy files;
2. "Computer" and Internet security;
3. Periodic backups of "computer" "data";
4. Protection, including but not limited to, encryption of "data", for transactions such as processing credit card, debit card and check payments; and
5. Disposal of files containing "private personal data", including but not limited to shredding hard copy files and destroying physical "media" used to store electronic "data".

## SECTION VIII – EXTENDED REPORTING PERIODS

A. The “insurer” will provide one or more Extended Reporting Periods, as described below, if:

1. This Coverage Part is canceled or not renewed; or
2. The “insurer” renews or replaces this Coverage Part with insurance that:
  - a. Has a Retroactive Date later than the date shown in **Item 4.** of the Cyber Declarations; or
  - b. Does not apply to “loss” arising out of a “Privacy Breach”, “Security Breach” or “Cyber Media Breach” on a claims-made basis.

The “named insured” agrees that in the event of a “claim” made during an Extended Reporting Period, they will do nothing that could prejudice the position of the “insurer” or any potential or actual rights of recovery, subrogation, or contribution.

B. Extended Reporting Periods do not extend the “policy period” or change the scope of the coverage provided. They apply only to “claims” because of “loss” arising out of a “Privacy Breach”, “Security Breach” or “Cyber Media Breach” occurring prior to the end of the “policy period” but not before the retroactive date.

Once in effect, Extended Reporting Periods may not be canceled.

C. If the “insurer” cancels or does not renew this Coverage Part for any reason other than nonpayment of premium, an Automatic Extended Reporting Period will be provided without an additional premium. This period starts with the end of the “policy period” and lasts for 60 days with respect to “claims” because of “loss” arising out of a “Privacy Breach”, “Security Breach” or “Cyber Media Breach” occurring prior to the end of the “policy period” but not before the retroactive date, and not previously reported to the “insurer”.

1. This Automatic Extended Reporting Period does not apply to “claims” that are covered under any subsequent insurance the “named insured” purchases, or that would be covered but for exhaustion of the amount of insurance applicable to such “claims”.
2. The Automatic Extended Reporting Period does not reinstate or increase the Limits of Insurance.

D. If this Coverage Part is cancelled or not renewed, the “named insured” shall have the right, upon payment of an additional premium, to an Optional Extended Reporting Period. This period starts with the end of the “policy period” with respect to “claims” because of “loss” arising out of a “Privacy

Breach”, “Security Breach” or “Cyber Media Breach” occurring prior to the end of the “policy period” but not before the retroactive date, and not previously reported to the “insurer”.

1. This Optional Extended Reporting Period does not apply to “claims” that are covered under any subsequent insurance the “named insured” purchases, or that would be covered but for exhaustion of the amount of insurance applicable to such “claims”.
2. The Optional Extended Reporting Period does not reinstate or increase the Limits of Insurance.
3. The “named insured” must give the “insurer” a written request for the Optional Extended Reporting Period endorsement within 60 days following the date of cancellation or nonrenewal. The Optional Extended Reporting Period will not go into effect unless the “named insured” pays the additional premium promptly when due. If the cancellation or nonrenewal is for nonpayment of premium, this Optional Extended Reporting Period will not be provided unless any earned premium due is paid within 60 days after the effective date of such cancellation or expiration.
4. The available Optional Extended Reporting Periods and associated additional premiums are displayed in the table below.

Optional Reporting Period	Percent of Annual Premium
One Year	100%
Two Years	150%
Three Years	200%

E. In the event similar insurance is in force covering “claims” first made during Extended Reporting Period, coverage provided by this Coverage Part shall be excess over any part of any other valid and collectible insurance available to the “insured”, whether primary, excess, contingent or on any other basis, whose “policy period” begins or continues after this “policy period” ends.

## SECTION IX – DEFINITIONS

A. “**Breach Notice Law**” means any federal, state, local or foreign privacy legislation, regulation and their functional equivalent that requires an entity to provide notice to affected natural persons of any actual or potential unauthorized access to their “private personal data”.

B. “**Claim**” means:

1. A written demand received by an “insured” for monetary damages or non-monetary relief including injunctive relief;



2. Any complaint or similar pleading initiating a judicial, civil, or administrative proceeding;
  3. An alternative dispute or arbitration proceeding to which an "insured" is provided notice and which subjects an "insured" to a binding adjudication for monetary or non-monetary relief; against an "insured" for a "Security Breach", "Privacy Breach" or "Cyber Media Breach", including any appeal therefrom.
  4. A written request first received by an "insured" to toll or waive a statute of limitations relating to a potential "claim" described in paragraphs 1. through 3. above.
- C. "Computer"** means a device or group of hardware devices on which software, applications, script, code and "computer" programs containing "data" can be operated and viewed.
- D. "Cyber Attack"** means the transmission of fraudulent or unauthorized "data" that is intended to and successfully modifies, alters, damages, destroys, deletes, records, transmits, or consumes information within a "system" without authorization, including "data" that is self-replicating or self-propagating, and which causes the disruption of the normal operation of a "system".
- E. "Cyber Content"** means the electronic display, electronic transmission, or electronic dissemination of information through a "network" or through an insured's "system", including through email and an "insured entity's" internet website(s).
- F. "Cyber Media Breach"** means the alleged or actual unintentional and unauthorized:
1. Infringement of a collective mark, service mark, service name, trademark, trade dress, domain name, commercial logo, commercial slogan, commercial symbol, commercial title, copyright, name of a product, service or entity, or title of an artistic or literary work;
  2. Plagiarism or unauthorized use of protected literary or artistic work, format, character or performance;
  3. Invasion or interference with the right of publicity including name, persona, voice or likeness;
  4. Defamation, libel, slander, trade libel, false light or other tort directly arising from the disparagement of or harm to the reputation or character of any person or entity;
- resulting directly from "cyber content" of the "insured entity".
- G. "Data"** means a representation of information, knowledge, facts, concepts or instructions which are being processed or have been processed in a "computer".
- H. "Defense Expenses"** means the reasonable and necessary legal fees and expenses including attorney fees and expert fees incurred by the "insurer" or the "insured" (other than regular or overtime wages, salaries, fees or benefits of "insured individuals") in the investigation, defense, settlement and appeal of a "claim", including but not limited to cost of consultants and witnesses, premiums for appeal, injunction, attachment or supersedes bonds regarding such "claim".
- I. "Executive"** means an "insured entity's" Chief Executive Officer, Chief Financial Officer, President and In-House General Counsel.
- J. "Insured"** means the "named insured", any "subsidiary" and any "insured individual".
- K. "Insured Individual"** means any natural person who is:
1. A duly elected past, present or future director, officer, trustee, manager, in-house general counsel, committee member of a duly constituted committee; or
  2. A past, present or future employee (other than an independent contractor) including any part-time, seasonal, leased and temporary employees, and volunteers;
- including equivalent positions anywhere in the world, but only while such person is acting within the scope of his or her duties as such.
- L. "Insured Entity"** means the "named insured" and any "subsidiary".
- M. "Insurer"** means the company providing this insurance as designated in the Cyber Declarations.
- N. "Liquidated Damages"** means a sum of money stipulated by the parties to a contract as the amount of damages to be recovered for a breach of such contract.
- O. "Loss"** means "defense expenses" and the amount the "insured" is legally obligated to pay as a result of a "claim" including:
1. Monetary judgments, awards or settlements, pre-judgment interest and post-judgment interest and compensatory damages;
  2. Punitive or exemplary damages or the multiple portion of any multiplied damage award if insurable under the law of the jurisdiction most favorable to the insurability of such damages where such jurisdiction has a substantial relationship to the "insured", the "insurer", or to the "claim" giving rise to such damages; or
  3. Civil fines or penalties assessed against an "insured individual" if, and to the extent, such

finances or penalties are insurable under the law of the jurisdiction in which such fines and penalties are assessed.

However, "loss" does not include:

4. The cost or expense incurred to replace, upgrade, update, improve, remediate or maintain a "system";
5. Any amount deemed uninsurable by law;
6. Taxes;
7. Any amount incurred by an "insured" in the defense or investigation of any action, proceeding or demand that was not a "claim" even if such amount also benefits the defense of a covered "claim" or such action, proceeding or demand that subsequently gives rise to a "claim";
8. Return of fees, charges, commissions or other compensation paid to an "insured";
9. The cost or expense incurred to perform any obligation assumed by, on behalf of, or with the consent of any "insured";
10. The cost of compliance with any order for, grant of or agreement to provide non-monetary relief, including injunctive relief; or
11. "Liquidated Damages".

**P. "Media"** means electronic applications, software, scripts and programs on which "data" is stored so that it can be collected, read, retrieved or processed by a "computer". "Media" does not mean paper, or other tangible property, money, debt, equity, instruments, accounts, bonds, bills, records, abstracts, deeds or manuscripts.

**Q. "Named Insured"** means the entity designated in **Item 1.** of the Cyber Declarations.

**R. "Network"** means any "services" provided by or through the facilities of any electronic or "computer" communication "system", allowing the input, output, examination, visualization or transfer of "data" or programs from one "computer" to an "insured entity's" "computer". "Network" includes any shared "networks", Internet access facilities, or other similar facilities for such "systems", in which an "insured" participates

**S. "Pollutant"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**T. "Policy Period"** means the period of time from the inception date shown in **Item 2.** of the Cyber Declarations to the earlier of the expiration date shown in **Item 2.** of the Cyber Declarations or the effective date of termination of this Policy or Coverage Part.

**U. "Potentially-Identified Person"** means any person who is the "named insured's" current, former or prospective customer, employee, client, member, or patient and whose "private personal data" is lost, stolen, accidentally released or accidentally published by a "privacy breach", "security breach", "cyber media breach" covered under this Coverage Part.

This definition is subject to the following provisions:

1. "Potentially-identified person" does not include any business or organization. Only an individual person may be a "potentially-identified person".
2. A "potentially-identified person" must have a direct relationship with the "named insured". The following are examples of individuals who do not meet this requirement:
  - a. If the "named insured" aggregates or sells information about individuals as part of the "named insured's" business, "potentially-identified persons" do not include the individuals about whom the "named insured" keeps such information.
  - b. If the "named insured" stores, processes, transmits or transports records, "potentially-identified persons" do not include the individuals whose "private personal data" the "named insured" is storing, processing, transmitting or transporting for another entity.

The above examples are not meant to be all inclusive but are provided as a way to identify those not meeting the requirements of this definition.

**V. "Privacy Breach"** means:

1. The "insured entity's" failure to protect "private personal data" including a "Cyber Attack" on the "insured's entity's" "system" or the actions of a "rogue employee" which directly results in the unauthorized disclosure of "private personal data";
2. The theft or negligent loss of hardware, "media", "system output", "data" or other documents owned or controlled by, or on behalf of, an "insured entity" on which "private personal data" is stored or recorded;
3. The "insured's" negligent failure to disclose an event referenced in **1.** or **2.** above in violation of any "breach notice law"; or
4. The "insured's" negligent violation of any applicable federal, state, foreign or local privacy legislation or regulation in connection with any "claim".

**W. “Private Personal Data”** means a natural person’s first name or first initial and last name in combination with:

- a. Non-public personally identifiable information, as defined in applicable federal, state, local or foreign legislation or regulations including, social security number, driver’s license number or other personal identification number (including an employee identification number or student identification number);
- b. Financial account number (including a bank account number, retirement account number or healthcare spending account number);
- c. Credit, debit or payment card numbers;
- d. Information related to employment by an “insured”;
- e. Individually identifiable information considered nonpublic personal information pursuant to Title V of the Gramm-Leach Bliley Act of 1999, as amended; or
- f. Individually identifiable information considered protected health information pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended;

which is intended to be accessible only by natural persons or entities an “insured” has specifically authorized to have such access.

“Private personal data” does not mean or include information that is otherwise available to the public, such as names and addresses with no correlated Social Security numbers or account numbers.

**X. “Related Claims”** means all “claims” based upon, arising from or in any way related to the same facts, circumstances, situations, transactions, results, damages or events or the same series of facts, circumstances, situations, transactions, results, damage or events.

**Y. “Rogue Employee”** means a permanent employee of an “insured entity”, other than an “executive”, who has gained unauthorized access or has exceeded authorized access to a “system” or “private personal data” owned or controlled by an “insured entity” or an entity that is authorized by an “insured” to hold, process or store “private personal data” for the exclusive benefit of the “insured entity”.

**Z. “Security Breach”** means:

1. The failure or violation of the security of the “insured entity’s” “system” including the impairment or denial of access to the “insured

entity’s” “system”, a “Cyber Attack” or unauthorized acts or omissions by a “rogue employee” which damages or harms the “insured entity’s” “system” or the “system” of a third party for whom the “insured entity” provides “services” for a fee;

2. The theft or loss of hardware or “media” controlled by, or on behalf of, an “insured entity” on which “data” is stored; or
3. The failure to disclose an event in 1. or 2. above which violates any “breach notice law”.

**AA. “Services”** means “computer” time, “data” processing, storage functions or other uses of an “insured’s” “system”.

**BB. “Subsidiary”** means:

1. Any entity in which an “insured entity” owns more than fifty percent (50%) of the outstanding securities representing the right to vote for election of or to appoint directors, trustees, managers, member of the Board of Managers or equivalent positions of such entity are owned or controlled by the “named insured”, directly or through one or more “subsidiaries”; or
2. Any entity while:
  - a. Exactly fifty percent (50%) of the securities representing the right to vote for election of or to appoint directors, trustees, managers, members of the Board of Managers, or equivalent positions of such entity are owned, or controlled by the “named insured”, directly or through one or more “subsidiaries”; and
  - b. The “named insured”, pursuant to a written contract with the owners of the remaining and outstanding voting stock of such entity, solely controls the management and operation of such entity; or
3. Any foundation or charitable trust while such entity is controlled by the “named insured”.

Coverage shall apply to a “subsidiary” only during the time it qualifies as a “subsidiary”.

**CC. “System”** means a “computer”, “media” and all input, output, processing storage and communication devices controlled, supervised or accessed by the operation software that is proprietary to, or licensed to, the owner of the “computer”.

**DD. “System Output”** means a tangible substance on which “private personal data” is printed from a “System”.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ILLINOIS AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

### CYBER LIABILITY COVERAGE PART

**A. SECTION VII – CONDITIONS**, Paragraph **I.** is replaced by the following:

#### **I. Cancellation And Non-Renewal**

1. If we decide to cancel this Coverage Part in the first 60 days, we will mail:
  - a. 10 days' written notice of cancellation for nonpayment of premium; or
  - b. 30 days' written notice of cancellation for any other reason.

If this Coverage Part has been in effect for 60 days or more or is a renewal of a Coverage Part we issued, then we will mail:

- c. 10 days' written notice of cancellation for nonpayment of premium; or
- d. 60 days' written notice of cancellation for one or more of the following reasons:
  - (1) The Coverage Part was obtained through a material representation;
  - (2) Any insured violated any of the terms and conditions of the policy;
  - (3) The risk originally accepted has measurably increased;
  - (4) Certification is provided to the Director of Insurance in Illinois of the loss of reinsurance by us which provided coverage to us for a substantial part of the underlying risk insured; or
  - (5) A determination is made by the Director of Insurance in Illinois that the continuation of the policy could place us in violation of the insurance laws of Illinois.

Cancellation notices will state the reason for cancellation and will be mailed to the "named insured" and the agent or broker of record at the last addresses known to us. We will maintain proof of mailing on a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office or other commercial mail delivery service.

2. If we decide not to renew this Coverage Part, we will mail or deliver written notice not less than 60 days before the expiration date to the "named insured" shown in the Declarations and to the agent or broker of record at the last addresses known to us. Notice will provide an explanation of the reason for nonrenewal. We will maintain proof of mailing on a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office or other commercial mail delivery service.

For the purposes of the Cancellation and Nonrenewal provisions, the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this Coverage Part. The words "we", "us" and "our" refer to the company providing this insurance.

- B.** The following is added to **SECTION VIII – EXTENDED REPORTING PERIODS**, Paragraph **D.4.**:

The percentage in the table will be applied to the expiring annual premium.

- C.** Wherever the term spouse appears in this Coverage Part or in any endorsement thereto, it shall include a party to a civil union.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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This endorsement changes  
the policy  
-- PLEASE READ THIS CAREFULLY --

## AMENDATORY ENDORSEMENT ILLINOIS

1. The following applies only to property policies issued to cover one-to-four family residential real or personal property:

Under Common Policy Conditions, Cancellation is deleted and replaced by the following:

**Cancellation** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel this policy by mailing "our" written notice of cancellation to "you" and any mortgagee or lienholder at the last mailing address known to "us". "Our" notice will include the reason or reasons for cancellation. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record. Proof of mailing is sufficient proof of notice.

If this policy has been in effect for 60 days or less, "we" may cancel for any reason.

If this policy has been in effect more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel if one or more of the following reasons apply:

- a. the premium has not been paid when due;
- b. the policy was obtained by misrepresentation or fraud; or
- c. there has been an act that measurably increases the risk originally accepted.

If "we" cancel for nonpayment of premium, "we" will mail the cancellation notice at least ten days before the effective date of cancellation.

If "we" cancel for any reason other than nonpayment of premium, "we" will mail the cancellation notice at least 30 days before the effective date of cancellation.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

2. The following applies only to property policies issued to cover real property other than one-to-four family residential property:

Under Common Policy Conditions, Cancellation is deleted and replaced by the following:

### Cancellation

- a. "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.
- b. "We" may cancel this policy by mailing "our" written notice of cancellation to "you" and any mortgagee or lienholder at the last mailing address known to "us". "Our" notice will include the reason or reasons for cancellation. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record. Proof of mailing is sufficient proof of notice.
- c. "We" may cancel this policy at any time during the policy period if the premium has not been paid. "We" will mail the cancellation notice at least ten days before the effective date of cancellation.



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- d. "We" may cancel this policy at any time during the policy period, if the insured property consists of one or more buildings:
- 1) to which, following a fire loss, permanent repairs have not commenced within 60 days after satisfactory adjustment of loss, unless such delay is a direct result of a labor dispute or weather conditions;
  - 2) that have been unoccupied for 60 consecutive days, except buildings which have a seasonal occupancy and buildings which are undergoing construction, repair, or reconstruction and are properly secured against unauthorized entry;
  - 3) for which, because of their physical condition, there is an outstanding demolition order, or which have been declared unsafe in accordance with applicable law; or
  - 4) to which heat, water, sewer service, or public lighting have not been connected for 30 consecutive days or more.

If "we" cancel this policy for reasons listed under d.1) through d.4) above, cancellation will be effective ten days after "you" and any mortgagee or lienholder have received "our" notice. The notice of cancellation will be sent by regular mail and certified mail, and "your" return premium, if any, will be calculated on a pro rata basis.

- e. If this policy has been in effect for 60 days or less, "we" may cancel for any reason. "We" will mail the cancellation notice at least 30 days before the effective date of cancellation for cancellation other than described in c. or d. above.
- f. If this policy has been in effect more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel if one or more of the following reasons apply:

- 1) the policy was obtained through a material misrepresentation;
- 2) any "insured" has violated any of the "terms" and conditions of the policy;
- 3) the risk originally accepted has measurably increased;
- 4) certification of the Director of the loss of reinsurance which provided coverage to "us" for all or a substantial part of the underlying risk insured; or
- 5) a determination by the Director that the continuation of the policy could place "us" in violation of the insurance laws of this state.

If "we" cancel for any of these reasons, "we" will mail the cancellation notice at least 60 days before the effective date of cancellation.

- g. "Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

3. If 1. or 2. above do not apply, under Common Policy Conditions, Cancellation is deleted and replaced by the following:

**Cancellation** -- "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel this policy by mailing "our" written notice of cancellation to "you" and any mortgagee or lienholder at the last mailing address known to "us". "Our" notice will include the reason or reasons for cancellation. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record. Proof of mailing is sufficient proof of notice.



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If this policy has been in effect for 60 days or less, "we" may cancel for any reason. If "we" cancel for any reason other than nonpayment of premium, "we" will mail the cancellation notice at least 30 days before the effective date of cancellation.

If this policy has been in effect more than 60 days, or if it is a renewal of a policy issued by "us", "we" may cancel if one or more of the following reasons apply:

- a. the premium has not been paid when due;
- b. the policy was obtained through a material misrepresentation;
- c. any "insured" has violated any of the "terms" and conditions of the policy;
- d. the risk originally accepted has measurably increased;
- e. certification of the Director of the loss of reinsurance which provided coverage to "us" for all or a substantial part of the underlying risk insured; or
- f. a determination by the Director that the continuation of the policy could place "us" in violation of the insurance laws of this state.

If "we" cancel for nonpayment of premium, "we" will mail the cancellation notice at least ten days before the effective date of cancellation.

If "we" cancel this policy for any reason other than nonpayment of premium when it has been in effect for more than 60 days, "we" will mail the cancellation notice at least 60 days before the effective date of cancellation.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

4. Under Common Policy Conditions, the following condition is added:

**Nonrenewal --**

If "we" decide not to renew this policy, "we" will mail "our" notice of nonrenewal to "you" at least 60 days before the end of the policy period. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record and any mortgagee or lienholder at the last mailing address known to "us". Proof of mailing is sufficient proof of notice. "Our" notice will include the reasons for nonrenewal.

5. Under Common Policy Conditions, the following condition is added:

**Renewal --** If "we" decide to renew this policy with premium increases of 30% or higher, or impose changes in deductible or coverage that materially alter the policy, "we" will mail to "you" written notice of such increase or change in deductible or coverage at least 60 days before the renewal or anniversary date. "We" will also mail a copy of the notice to "your" broker, if known, or to the agent of record. Proof of mailing is sufficient proof of notice. The 60-day prior notification because of premium increase is not necessary where increases exceeding 30% are due to changed conditions or increased or broadened coverage initiated by "you".

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**CL 0120 10 08**

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Page 1 of 1

This endorsement changes  
the policy  
-- PLEASE READ THIS CAREFULLY --

## CERTIFIED TERRORISM LOSS

1. The following definitions are added.
  - a. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States:
    - 1) to be an act of terrorism;
    - 2) to be a violent act or an act that is dangerous to human life, property, or infrastructure;
    - 3) to have resulted in damage:
      - a) within the United States; or
      - b) to an air carrier (as defined in section 40102 of title 49, United States Code); to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or at the premises of any United States mission;
    - 4) to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion; and
    - 5) to have resulted in insured losses in excess of five million dollars in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended.
  - b. "Certified terrorism loss" means loss that results from a "certified act of terrorism".
2. The "terms" of any terrorism exclusion that is part of or that is attached to this Coverage Part are amended by the following provision:
 

This exclusion does not apply to "certified terrorism loss".
3. The following provision is added.
 

If the Secretary of the Treasury determines that the aggregate amount of "certified terrorism loss" has exceeded one hundred billion dollars in a calendar year (January 1 through December 31), and "we" have met "our" insurer deductible under the Terrorism Risk Insurance Act, as amended, "we" will not pay for any portion of "certified terrorism loss" that exceeds one hundred billion dollars. If the "certified terrorism loss" exceeds one hundred billion dollars in a calendar year (January 1 through December 31), losses up to one hundred billion dollars are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury under the Terrorism Risk Insurance Act, as amended.
4. The following provisions are added.
  - a. Neither the "terms" of this endorsement nor the "terms" of any other terrorism endorsement attached to this Coverage Part provide coverage for any loss that would otherwise be excluded by this Coverage Part under:
    - 1) exclusions that address war, military action, or nuclear hazard; or
    - 2) any other exclusion; and
  - b. the absence of any other terrorism endorsement does not imply coverage for any loss that would otherwise be excluded by this Coverage Part under:
    - 1) exclusions that address war, military action, or nuclear hazard; or
    - 2) any other exclusion.

CL 0600 01 15

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This endorsement changes  
the policy  
-- PLEASE READ THIS CAREFULLY --

## VIRUS OR BACTERIA EXCLUSION

### DEFINITIONS

#### Definitions Amended --

When "fungus" is a defined "term", the definition of "fungus" is amended to delete reference to a bacterium.

When "fungus or related perils" is a defined "term", the definition of "fungus or related perils" is amended to delete reference to a bacterium.

### PERILS EXCLUDED

The additional exclusion set forth below applies to all coverages, coverage extensions, supplemental coverages, optional coverages, and endorsements that are provided by the policy to which this endorsement is attached, including, but not limited to, those that provide coverage for property, earnings, extra expense, or interruption by civil authority.

1. The following exclusion is added under Perils Excluded, item 1.:

#### Virus or Bacteria --

"We" do not pay for loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

This exclusion applies to, but is not limited to, any loss, cost, or expense as a result of:

- a. any contamination by any virus, bacterium, or other microorganism; or
- b. any denial of access to property because of any virus, bacterium, or other microorganism.

2. **Superseded Exclusions** -- The Virus or Bacteria exclusion set forth by this endorsement supersedes the "terms" of any other exclusions referring to "pollutants" or to contamination with respect to any loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

### OTHER CONDITIONS

#### Other Terms Remain in Effect --

The "terms" of this endorsement, whether or not applicable to any loss, cost, or expense, cannot be construed to provide coverage for a loss, cost, or expense that would otherwise be excluded under the policy to which this endorsement is attached.

CL 0700 10 06

COMMERCIAL INLAND MARINE  
CM 01 50 03 10

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES – ARTIFICIALLY GENERATED CURRENT EXCLUSION**

This endorsement modifies insurance provided under the following:

CAMERA AND MUSICAL INSTRUMENT DEALERS COVERAGE FORM  
EQUIPMENT DEALERS COVERAGE FORM  
FLOOR PLAN COVERAGE FORM  
PHYSICIANS AND SURGEONS EQUIPMENT COVERAGE FORM  
SIGNS COVERAGE FORM  
THEATRICAL PROPERTY COVERAGE FORM

**A. The exclusion set forth in:**

- Paragraph **B.2.h.** of the Camera And Musical Instrument Dealers Coverage Form and the Theatrical Property Coverage Form;
- Paragraph **B.2.f.** of the Equipment Dealers Coverage Form;
- Paragraph **B.2.e.** of the Physicians And Surgeons Equipment Coverage Form; and
- Paragraph **B.2.d.** of the Floor Plan Coverage Form;

is replaced by the following:

Artificially generated current creating a short circuit or other electric disturbance within an article covered under this coverage form.

But if artificially generated current, as described above, results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this coverage form.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

**B. In the Signs Coverage Form, Exclusion **B.2.d.** is replaced by the following:**

- d.** Artificially generated current creating a short circuit or other electric disturbance within an article covered under this coverage form.

But if artificially generated current, as described above, results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this coverage form.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

IM 202 07 05

This endorsement changes the  
Contractors' Equipment Coverage  
-- PLEASE READ THIS CAREFULLY --

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## DEDUCTIBLE WAIVER FOR LOJACK BRAND PROTECTION SYSTEM

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### HOW MUCH WE PAY

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The following is added under How Much We Pay:

In the event of a theft "loss" we agree to waive your deductible amount up to \$25,000 if any piece of stolen equipment is protected by an operational LoJack Stolen Vehicle Police Recovery System.

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### WHAT MUST BE DONE IN CASE OF LOSS

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The following two provisions are added to What Must Be Done In Case Of Loss:

You must work with the police (having jurisdiction in the area which the theft occurred) to ensure that the piece of equipment is entered as a vehicle into their computer system.

You must call LoJack toll free at (877) 775-6522 and provide the Corporate Construction Administrator with the same information you provided the local law enforcement agency (including the police report case number).

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IM202 07 05

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This endorsement changes  
the policy  
-- PLEASE READ THIS CAREFULLY --

## AMENDATORY ENDORSEMENT ILLINOIS

1. Under Definitions, item b. of Pollutants is deleted.
2. Under Coverage Extensions, Defense Costs, if applicable, is amended as follows:
  - a. Paragraph a. Coverage is deleted and replaced by the following:
    - a. **Coverage** -- "We" have the right and duty to defend any "suit" brought against "you" as a result of damage to covered property caused by a covered loss. "We" may investigate and settle a claim or "suit".
  - b. Under paragraph d., item 4) is deleted and replaced by the following:
    - 4) expenses that "you" incur for expert testimony or court-ordered arbitration or mediation;
  - c. The following paragraph is added:
 

The expenses "we" incur under Defense Costs will not reduce the applicable "limit" for coverage described under Property Covered.
3. Under Perils Excluded, Criminal, Fraudulent, Dishonest, Or Illegal Acts is amended to include the following:
 

However, if the loss is caused by an act arising out of a pattern of criminal domestic violence and the perpetrator of the loss is criminally prosecuted for the act causing the loss, this exclusion does not apply to an otherwise covered loss suffered by another insured who did not cooperate in or contribute to the act that caused the loss.

Subject to the "terms" under How Much We Pay and all other "terms" of this policy, "our" payment to an insured who did not cooperate in or contribute to the act that caused the loss may be limited to the claimant's
4. Under Other Conditions, Misrepresentation, Concealment, Or Fraud is deleted and replaced by the following:
 

**Misrepresentation, Concealment, Or Fraud** -- "We" do not provide coverage for an insured who has:

  - a. willfully concealed or misrepresented:
    - 1) a material fact or circumstance with respect to this insurance; or
    - 2) an insured's interest herein; or
  - b. engaged in fraudulent conduct or sworn falsely with respect to this insurance or the subject thereof.
5. Under Other Conditions, Subrogation is amended to include the following:
 

An innocent insured who is the subject of criminal domestic violence by another insured cannot waive his or her right to recover. "We" retain all rights set forth by this Subrogation condition with regard to "our" right to recover, up to the amount "we" pay, for loss caused by an act of criminal domestic violence.
6. In all coverage forms except Cold Storage Locker Coverage, Contingent Cargo Coverage, Motor Truck Cargo Legal Liability Coverage, Riggers' Legal Liability Coverage, and Warehouse Legal Liability Coverage, under Other Conditions, Suit Against Us is amended to include the following:
 

However, this period is extended by the number of days between the date proof of loss is submitted and the claim is denied in whole or in part.

IM 2027 08 09



## CONTRACTORS' EQUIPMENT COVERAGE

### AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Contractors' Equipment Coverage. This coverage is also subject to the "schedule of coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

Refer to Definitions for words and phrases that have special meaning. These words and phrases are shown in quotation marks or bold type.

### DEFINITIONS

1. The words "you" and "your" mean the persons or organizations named as the insured on the declarations.
2. The words "we", "us", and "our" mean the company providing this coverage.
3. "Contractors' equipment" means machinery, equipment, and tools of a mobile nature that "you" use in "your" contracting, installation, erection, repair, or moving operations or projects.

"Contractors' equipment" also means:

- a. self-propelled vehicles designed and used primarily to carry mounted equipment; or

- b. vehicles designed for highway use that are unlicensed and not operated on public roads.

4. "Equipment schedule" means a schedule of "contractors' equipment" that is attached to this policy and that describes each piece of covered equipment.
5. "Jobsite" means any location, project, or work site where "you" are in the process of construction, installation, erection, repair, or moving.
6. "Limit" means the amount of coverage that applies.
7. "Pollutant" means:
  - a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
  - b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.
8. "Schedule of coverages" means:
  - a. all pages labeled schedule of coverages or schedules which pertain to this coverage; and
  - b. declarations or supplemental declarations which pertain to this coverage.
9. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.

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10. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to:

- a. personal property in the open; or
- b. the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roofs or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

11. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.
12. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow.
- Volcanic action does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss to the covered property.

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## PROPERTY COVERED

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"We" cover the following property unless the property is excluded or subject to limitations.

1. **Scheduled Equipment --**
  - a. **Coverage --** "We" cover direct physical loss caused by a covered peril to:
    - 1) "your" "contractors' equipment"; and

- 2) "contractors' equipment" of others in "your" care, custody, or control.

- b. **Coverage Limitation --** "We" only cover "your" "contractors' equipment" and "contractors' equipment" of others:

- 1) that are described on the "equipment schedule"; and
- 2) when Scheduled Equipment is indicated on the "schedule of coverages".

## 2. Schedule On File --

- a. **Coverage --** "We" cover direct physical loss caused by a covered peril to:

- 1) "your" "contractors' equipment"; and
- 2) "contractors' equipment" of others in "your" care, custody, or control.

- b. **Coverage Limitation --** "We" only cover "your" "contractors' equipment" and "contractors' equipment" of others:

- 1) that are listed in a schedule which "you" must submit to "us" and "we" keep on file, the schedule must contain a description of each item to be covered and a "limit" for each item; and
- 2) when Schedule on File is indicated on the "schedule of coverages".

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## PROPERTY NOT COVERED

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1. **Aircraft Or Watercraft --** "We" do not cover aircraft or watercraft.
2. **Contraband --** "We" do not cover contraband or property in the course of illegal transportation or trade.
3. **Leased Or Rented Property --** "We" do not cover property that "you" lease or rent to others.

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4. **Loaned Property** -- "We" do not cover property that "you" loan to others.
5. **Underground Mining Operations** -- "We" do not cover property while stored or operated underground in connection with any mining operations.
6. **Vehicles** -- "We" do not cover automobiles, motor trucks, tractors, trailers, and similar conveyances designed for highway use and used for over the road transportation of people or cargo. However, this does not include:
  - a. self-propelled vehicles designed and used primarily to carry mounted equipment; or
  - b. vehicles designed for highway use that are unlicensed and not operated on public roads.
7. **Waterborne Property** -- "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.

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## **COVERAGE EXTENSIONS**

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**Provisions That Apply To Coverage Extensions** -- The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Coverage Extension, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage including a Coverage Extension or Supplemental Coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following coverage extensions are not subject to and not considered in applying coinsurance conditions.

### **Debris Removal --**

1. **Coverage** -- "We" pay the cost to remove the debris of covered property that is caused by a covered peril.
2. **We Do Not Cover** -- This coverage does not include costs to:
  - a. extract "pollutants" from land or water; or
  - b. remove, restore, or replace polluted land or water.
3. **Limit** -- "We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.
4. **Additional Limit** -- "We" pay up to an additional \$5,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.
5. **You Must Report Your Expenses** -- "We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.

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## SUPPLEMENTAL COVERAGES

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### Provisions That Apply To Supplemental

**Coverages** -- The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Coverage, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.

The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.

The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension including a Supplemental Coverage or Coverage Extension that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following supplemental coverages are not subject to and not considered in applying coinsurance conditions.

### 1. Employee Tools --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to tools owned by "your" employees.
- b. **Coverage Limitation** -- "We" only cover tools owned by "your" employees while at a:
  - 1) premises that "you" own or operate; or
  - 2) "jobsite".
- c. **Limit** -- The most "we" pay in any one occurrence for loss to employee tools is \$5,000.

### 2. Equipment Leased Or Rented From Others --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to "contractors' equipment" that "you" have leased or rented from others.
- b. **Limit** -- The most "we" pay in any one occurrence for equipment leased or rented from others is \$25,000.

### 3. Newly Purchased Property --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to additional "contractors' equipment" that "you" purchase during the policy period.
- b. **Limit** -- The most that "we" pay for any loss under this supplemental coverage is the least of the:
  - 1) actual cash value of the covered property; or
  - 2) "limit" for newly purchased property indicated on the "schedule of coverages". If no "limit" is indicated, then 30% of the Catastrophe Limit indicated on the "schedule of coverages" applies to this coverage.

- c. **Time Limitation** -- "We" extend coverage to the additional "contractors' equipment" that "you" purchase for up to 60 days.

This supplemental coverage will end when any of the following first occur:

- 1) this policy expires;
- 2) 60 days after "you" obtain the additional "contractors' equipment"; or
- 3) "you" report the additional "contractors' equipment" to "us".

- d. **Additional Premium** -- "You" must pay any additional premium due from the date "you" purchase the additional "contractors' equipment".

4. **Pollutant Cleanup And Removal** --

- a. **Coverage** -- "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period.
- b. **Time Limitation** -- The expenses to extract "pollutants" are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.
- c. **We Do Not Cover** -- "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants".

However, "we" pay the cost of testing which is necessary for the extraction of "pollutants" from land or water.

- d. **Limit** -- The most "we" pay for each location is \$25,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

5. **Rental Reimbursement** --

- a. **Coverage** -- In the event of a direct physical loss by a covered peril to "your" "contractors' equipment", "we" reimburse "you" for "your" expense to rent similar equipment while "your" equipment is inoperable.

The deductible amount indicated on the "schedule of coverages" does not apply to a loss covered under this supplemental coverage.

- b. **Waiting Period** -- "We" will not reimburse "you" for the rental of equipment until after the first 72-hours (unless otherwise indicated on the "schedule of coverages") following the direct physical loss to "your" "contractors' equipment" caused by a covered peril.

- c. **Incurred Rental Expenses** -- After the waiting period has passed, "we" will only reimburse "you" for the rental expenses that "you" actually incur.

- d. **Coverage After Expiration Date** -- "We" will continue to reimburse "you" for the rental of equipment after the expiration date of this coverage, provided the loss occurred before the expiration date.

- e. **Coverage Limitations** -- "We" will not reimburse "you":

- 1) if "you" can continue or resume "your" operations with similar equipment that is available to "you" at no additional expense to "you"; or
- 2) for the rental expense of any equipment unless "you" make every reasonable effort to repair, replace, or rebuild the inoperable equipment after the loss by a covered peril occurs.

- f. **Limit** -- The most "we" reimburse "you" in any one occurrence for rental expenses is \$5,000.

## 6. Spare Parts And Fuel --

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:
- 1) spare parts and accessories for "contractors' equipment"; and
  - 2) fluids for vehicles and "contractors' equipment"; fluids include gasoline, oil, and hydraulic fluid.
- b. **Limit** -- The most "we" pay in any one occurrence for loss to spare parts and accessories is \$5,000.

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## PERILS COVERED

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"We" cover risks of direct physical loss unless the loss is limited or caused by a peril that is excluded.

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## PERILS EXCLUDED

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1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.
  - a. **Civil Authority** -- "We" do not pay for loss caused by order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- b. **Nuclear Hazard** -- "We" do not pay for loss caused by or resulting from a nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct loss by fire resulting from the nuclear hazard is covered.
- c. **War And Military Action** -- "We" do not pay for loss caused by:
  - 1) war, including undeclared war or civil war; or
  - 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
  - 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War and Military Action Exclusion will apply in place of the Nuclear Hazard Exclusion.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following:
  - a. **Contamination or Deterioration** -- "We" do not pay for loss caused by contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in the covered property that causes it to damage or destroy itself.

But if contamination or deterioration results in a covered peril, "we" do cover the loss or damage caused by that covered peril.



- b. **Criminal, Fraudulent, Dishonest Or Illegal Acts** -- "We" do not pay for loss caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:
- 1) "you";
  - 2) others who have an interest in the property;
  - 3) others to whom "you" entrust the property;
  - 4) "your" partners, officers, directors, trustees, joint venturers, or "your" members or managers if "you" are a limited liability company; or
  - 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- c. **Loss Of Use** -- "We" do not pay for loss caused by or resulting from loss of use, delay, or loss of market.
- d. **Mechanical Breakdown** -- "We" do not pay for loss caused by any mechanical, structural, or electrical breakdown or malfunction including a breakdown or malfunction resulting from a structural, mechanical, or reconditioning process.
- But if a mechanical, structural, or electrical breakdown or malfunction results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

- e. **Missing Property** -- "We" do not pay for missing property where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- f. **Pollutants** -- "We" do not pay for loss caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":
- 1) unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril"; or
  - 2) except as specifically provided under the Supplemental Coverages - Pollutant Cleanup and Removal.

"We" do cover any resulting loss caused by a "specified peril".

- g. **Temperature/Humidity** -- "We" do not pay for loss caused by dryness, dampness, humidity, or changes in or extremes of temperature.

But if dryness, dampness, humidity, or changes in or extremes of temperature results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

- h. **Voluntary Parting** -- "We" do not pay for loss caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.

- i. **Wear And Tear** -- "We" do not pay for loss caused by wear and tear, marring, or scratching.

But if wear and tear, marring, or scratching results in a covered peril, "we" do cover the loss or damage caused by that covered peril.

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## WHAT MUST BE DONE IN CASE OF LOSS

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1. **Notice** -- In case of a loss, "you" must:
  - a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
  - b. give notice to the police when the act that causes the loss is a crime.
2. **You Must Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.
  - a. **Payment of Reasonable Costs** -- "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. "Our" payment of reasonable costs does not increase the "limit".
  - b. **We Do Not Pay** -- "We" do not pay for such repairs or emergency measures performed on property which has not been damaged by a peril insured against.
3. **Proof Of Loss** -- "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:
  - a. the time, place, and circumstances of the loss;
  - b. other policies of insurance that may cover the loss;
  - c. "your" interest and the interests of all others in the property involved, including all mortgages and liens;
  - d. changes in title of the covered property during the policy period; and
  - e. estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.
4. **Examination** -- "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.
5. **Records** -- "You" must produce records, including tax returns and bank microfilms of all canceled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
6. **Damaged Property** -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.
7. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
8. **Abandonment** -- "You" may not abandon the property to "us" without "our" written consent.
9. **Cooperation** -- "You" must cooperate with "us" in performing all acts required by this policy.

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## VALUATION

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1. **Actual Cash Value** -- The value of covered property will be based on the actual cash value at the time of the loss (with a deduction for depreciation) unless replacement cost is indicated on the "schedule of coverages".
2. **Replacement Cost** -- The value of covered property will be based on the replacement cost without any deduction for depreciation unless Actual Cash Value is indicated on the "schedule of coverages".
  - a. **Replacement Cost Limitation** -- The replacement cost is limited to the cost of repair or replacement with similar materials and used for the same purpose. The payment will not exceed the amount "you" spend to repair or replace the damaged or destroyed property.
  - b. **Replacement Cost Does Not Apply Until Repair Or Replacement** -- Replacement cost valuation does not apply until the damaged or destroyed property is repaired or replaced.
  - c. **Time Limitation** -- "You" may make a claim for actual cash value before repair or replacement takes place, and later for the replacement cost if "you" notify "us" of "your" intent within 180 days after the loss.
3. **Pair Or Set** -- The value of a lost or damaged article which is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
4. **Loss To Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

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## HOW MUCH WE PAY

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1. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.
2. **Flat Deductible** -- "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" in any one occurrence unless Percentage Deductible is indicated on the "schedule of coverages".
3. **Percentage Deductible** -- When a percentage deductible is indicated on the "schedule of coverages", "we" pay only that part of "your" loss over the deductible amount as determined below.
  - a. **Determining The Deductible Amount** -- The deductible amount is determined by applying the percentage indicated on the "schedule of coverages" to the value of the covered property that is involved in the loss. The value is determined by the provisions described under the Valuation section of this policy.
  - b. **Two Or More Items** -- If a loss involves two or more pieces of equipment, the percentage indicated on the "schedule of coverages" will apply only to the covered property with the highest value.
  - c. **Minimum and Maximum Deductible** -- The percentage deductible will not exceed the Maximum Deductible amount and will not be less than the Minimum Deductible amount indicated on the "schedule of coverages".
4. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 3., 5., 6., and 7. under How Much We Pay, "we" pay the lesser of:
  - a. the amount determined under Valuation;

- b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
- c. the "limit" that applies to the covered property. However, the most "we" pay for loss in any one occurrence is the Catastrophe Limit indicated on the "schedule of coverages".

#### 5. Coinsurance --

- a. **When Coinsurance Applies --** "We" only pay a part of the loss if the "limit" is less than the percentage of the value of the covered property that is indicated on the "schedule of coverages".
- b. **How We Determine Our Part Of The Loss --** "Our" part of the loss is determined using the following steps:
  - 1) multiply the percent indicated on the "schedule of coverages" by the value of the covered property at the time of loss;
  - 2) divide the "limit" for covered property by the result determined in b.1) above;
  - 3) multiply the total amount of loss, after the application of any deductible, by the result determined in b.2) above.

The most "we" pay is the amount determined in b.3) above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

- c. **If There Is More Than One Limit --** If there is more than one "limit" indicated on the "schedule of coverages" for this coverage part, this procedure applies separately to each "limit".
- d. **If There Is Only One Limit --** If there is only one "limit" indicated on the "schedule of coverages" for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.

- e. **When Coinsurance Does Not Apply --** Conditions for coinsurance do not apply unless a coinsurance percentage is indicated on the "schedule of coverages".

- 6. **Insurance Under More Than One Coverage --** If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.

#### 7. Insurance Under More Than One Policy --

- a. **Proportional Share --** "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.
- b. **Excess Amount --** If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit".

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### LOSS PAYMENT

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#### 1. Loss Payment Options --

- a. **Our Options --** In the event of loss covered by this coverage form, "we" have the following options:
  - 1) pay the value of the lost or damaged property;
  - 2) pay the cost of repairing or replacing the lost or damaged property;

- 3) rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
    - 4) take all or any part of the property at the agreed or appraised value.
  - b. **Notice Of Our Intent To Rebuild, Repair, Or Replace** -- "We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.
2. **Your Losses** --
- a. **Adjustment And Payment Of Loss** -- "We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy.
  - b. **Conditions For Payment Of Loss** -- An insured loss will be payable 30 days after:
    - 1) a satisfactory proof of loss is received, and
    - 2) the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".
3. **Property Of Others** --
- a. **Adjustment And Payment of Loss To Property of Others** -- Losses to property of others may be adjusted with and paid to:
    - 1) "you" on behalf of the owner; or
    - 2) the owner.
  - b. **We Do Not Have To Pay You If We Pay The Owner** -- If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits brought by the owners at "our" expense.

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## REPORTING CONDITIONS

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**Equipment Leased Or Rented From Others** -- If indicated on the "schedule of coverages", the following reporting conditions apply.

1. **Reports** --
  - a. **You Will Report To Us** -- Within 30 days after the end of the policy period, "you" will report to "us" the total amount of "your" expenditures for "contractors' equipment" that "you" lease or rent from others.
  - b. **Cancellation** -- If this policy is canceled, "you" will report the total amount of expenditures up to and including the date of cancellation.
2. **Premium Computation And Adjustment** --
  - a. The premium will be adjusted at the end of the policy period. The total computed premium will be determined by multiplying "your" total equipment expenditures by the reporting rate indicated on the "schedule of coverages" for Equipment Leased or Rented From Others.
  - b. "We" will compare the total computed premium to the deposit premium. If it is more than the deposit premium, "you" will pay "us" the difference. If it is less than the deposit premium, "we" will pay "you" the difference subject to the minimum premium indicated on the "schedule of coverages".
3. **Provisions That Affect How Much We Pay** -- The following provisions apply to reports that are submitted and may affect How Much We Pay:
  - a. **Failure To Submit Reports** -- If "you" have failed to submit the required reports or no report has been submitted, the most "we" will pay is 90% of the "limit".

- b. **Reported Values Are Less Than The Full Value** -- If "your" last report before a loss shows less than the actual value of "your" expenditures for "contractors' equipment" that "you" lease or rent from others, "we" will only pay a part of the loss. "We" will not pay a greater portion of the loss, prior to the application of the deductible, than the total expenditures "you" reported divided by "your" actual expenditures for "contractors' equipment" that "you" lease or rent from others during the reporting period.
- c. **We Will Not Pay More Than The Limit** -- "We" will not pay more than the applicable "limit" regardless of any reported value used in computing the premium.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Benefit to Others** -- Insurance under this coverage will not directly or indirectly benefit anyone having custody of "your" property.

3. **Conformity With Statute** -- When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.

4. **Estates** -- This provision applies only if the insured is an individual.

- a. **Your Death** -- On "your" death, "we" cover the following as an insured:

- 1) the person who has custody of "your" property until a legal representative is qualified and appointed; or
- 2) "your" legal representative.

This person or organization is an insured only with respect to property covered by this coverage.

- b. **Policy Period Is Not Extended** -- This coverage does not extend past the policy period indicated on the declarations.

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## OTHER CONDITIONS

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1. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.



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5. **Misrepresentation, Concealment, Or Fraud** -- This coverage is void as to "you" and any other insured if, before or after a loss:
- "you" or any other insured have willfully concealed or misrepresented:
    - a material fact or circumstance that relates to this insurance or the subject thereof; or
    - "your" interest herein.
  - there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.
6. **Policy Period** -- "We" pay for a covered loss that occurs during the policy period.
7. **Recoveries** -- If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
- "you" must notify "us" promptly if "you" recover property or receive payment;
  - "we" must notify "you" promptly if "we" recover property or receive payment;
  - any recovery expenses incurred by either are reimbursed first;
  - "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid or any lesser amount to which "we" agree; and
  - if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be pro rated between "you" and "us" based on "our" respective interest in the loss.
8. **Restoration Of Limits** -- A loss "we" pay under this coverage does not reduce the applicable "limit" unless it is a total loss to a scheduled item. In the event of a total loss to a scheduled item, "we" refund the unearned premium on that item.
9. **Subrogation** -- If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.
- "You" may waive "your" right to recover from others in writing before a loss occurs.
10. **Suit Against Us** -- No one may bring a legal action against "us" under this coverage unless:
- all of the "terms" of this coverage have been complied with; and
  - the suit has been brought within two years after "you" first have knowledge of the loss.
- If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.
11. **Territorial Limits** -- "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.

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## SCHEDULE OF COVERAGES CONTRACTORS EQUIPMENT

(The entries required to complete this schedule  
will be shown below or on the "schedule of coverages".)

### PROPERTY COVERED

(check one)

☒ Scheduled Equipment (Refer to Equipment Schedule)

☐ Schedule On File (Schedule Dated : \_\_\_\_\_)  
Limit

**Catastrophe Limit** -- The most "we" pay  
for loss in any one occurrence is:

\$ 12,500

### COVERAGE EXTENSIONS

Additional Debris Removal Expenses \$ 5,000

### SUPPLEMENTAL COVERAGES

Employee Tools \$ 5,000

Equipment Leased or Rented From Others \$ 25,000

Newly Purchased Equipment (check one)

☒ Percentage of Catastrophe Limit 30 %

☐ Dollar Limit \$ \_\_\_\_\_

Pollutant Cleanup and Removal \$ 25,000  
Rental Reimbursement

-- Reimbursement Limit \$ 5,000

-- Waiting Period 72 hrs.

Spare Parts and Fuel \$ 5,000

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## COINSURANCE

(check one)

☐ 80%    ☐ 90%    ☒ 100%    ☐ Other    %

## REPORTING CONDITIONS

(check if applicable)

☐ Equipment Leased or Rented From Others

-- Reporting Rate \$ \_\_\_\_\_

-- Deposit Premium \$ \_\_\_\_\_

-- Minimum Premium \$

## VALUATION

(check if applicable)

☐ Actual Cash Value      ☒ Replacement Cost

☒ Indicated on Equipment Schedule

**DEDUCTIBLE**

(check one)

☒ Flat Deductible Amount      \$ 2,500

\$

☐ Percentage Deductible \_\_\_\_\_%

Maximum Ded Amount            \$

\$ \_\_\_\_\_

Minimum Ded Amount            \$

## OPTIONAL COVERAGES AND ENDORSEMENTS

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**EQUIPMENT SCHEDULE  
CONTRACTORS EQUIPMENT  
VALUATION BASIS**

(The entries required to complete this schedule  
will be shown below or on the "schedule of coverages".)

**SCHEDULED EQUIPMENT**

ACV = Actual Cash Value      RP = Replacement Cost

AA = Agreed Amount

Item #	Description of Equipment		
1	2009 T 300 Fork Lift S#035254		
	Limit \$ <u>12,000</u>	Valuation	RC

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## SCHEDULED PROPERTY FLOATER

In this coverage form, the words "you" and "your" mean the persons or organizations named as the insured on the declarations and the words "we", "us", and "our" mean the company providing this coverage.

Refer to the Definitions section at the end of this coverage form for additional words and phrases that have special meaning. These words and phrases are shown in quotation marks.

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### AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described herein subject to all the "terms" of the Scheduled Property Floater. This coverage is also subject to the "schedule of coverages" and additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.

Endorsements and schedules may also apply. They are identified on the "schedule of coverages".

---

### PROPERTY COVERED

"We" cover the following property unless the property is excluded or subject to limitations.

1. **Coverage** -- "We" cover direct physical loss caused by a covered peril to:
  - a. "your" property; and
  - b. property of others in "your" care, custody, and control.

2. **Coverage Limitation** -- "We" only cover "your" property and property of others that are described on the "schedule of coverages".

---

### PROPERTY NOT COVERED

1. **Aircraft Or Watercraft** -- "We" do not cover aircraft or watercraft.
2. **Buildings And Land** -- "We" do not cover buildings or land including land on which covered property is located.
3. **Contraband** -- "We" do not cover contraband or property in the course of illegal transportation or trade.
4. **Money And Securities** -- "We" do not cover accounts, bills, currency, food stamps, or other evidences of debt, lottery tickets not held for sale, money, notes, or securities.
5. **Vehicles** -- "We" do not cover automobiles or any self-propelled vehicles that are designed for highway use.
6. **Waterborne Property** -- "We" do not cover property while waterborne except while in transit in the custody of a carrier for hire.

---

### COVERAGE EXTENSIONS

**Provisions That Apply To Coverage Extensions** -- The following Coverage Extensions indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

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However, if no "limit" is indicated for a Coverage Extension within this coverage form, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, the coverages provided below are part of and not in addition to the applicable "limit" for coverage described under Property Covered.

The "limit" provided under a Coverage Extension cannot be combined or added to the "limit" for any other Coverage Extension or Supplemental Coverage, including a Coverage Extension, Supplemental Coverage, or other coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following Coverage Extensions are not subject to and not considered in applying coinsurance conditions.

**Debris Removal --**

1. **Coverage** -- "We" pay the cost of debris removal. Debris removal means the costs for the demolition, clearing, and removal of debris of covered property if such debris results from a covered peril.
2. **We Do Not Cover** -- This coverage does not include costs to:
  - a. extract "pollutants" from land or water; or
  - b. remove, restore, or replace polluted land or water.
3. **Limit** -- "We" do not pay any more under this coverage than 25% of the amount "we" pay for the direct physical loss or damage exclusive of the costs for debris removal. "We" will not pay more for loss to property and debris removal combined than the "limit" for the damaged property.

4. **Additional Limit** -- "We" pay up to an additional \$5,000 for debris removal expense when the debris removal expense exceeds 25% of the amount "we" pay for direct physical loss or when the loss to property and debris removal combined exceeds the "limit" for the damaged property.

5. **You Must Report Your Expenses** -- "We" do not pay any expenses unless they are reported to "us" in writing within 180 days from the date of direct physical loss to covered property.

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**SUPPLEMENTAL COVERAGES**

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**Provisions That Apply To Supplemental Coverages** -- The following Supplemental Coverages indicate an applicable "limit". This "limit" may also be shown on the "schedule of coverages".

If a different "limit" is indicated on the "schedule of coverages", that "limit" will apply instead of the "limit" shown below.

However, if no "limit" is indicated for a Supplemental Coverage within this coverage form, coverage is provided up to the full "limit" for the applicable covered property unless a different "limit" is indicated on the "schedule of coverages".

Unless otherwise indicated, a "limit" for a Supplemental Coverage provided below is separate from, and not part of, the applicable "limit" for coverage described under Property Covered.

The "limit" available for coverage described under a Supplemental Coverage:

- a. is the only "limit" available for the described coverage; and
- b. is not the sum of the "limit" indicated for a Supplemental Coverage and the "limit" for coverage described under Property Covered.



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The "limit" provided under a Supplemental Coverage cannot be combined or added to the "limit" for any other Supplemental Coverage or Coverage Extension, including a Supplemental Coverage, Coverage Extension, or other coverage that is added to this policy by endorsement.

If coinsurance provisions are part of this policy, the following Supplemental Coverages are not subject to and not considered in applying coinsurance conditions.

**1. Newly Acquired Property --**

- a. **Coverage** -- "We" cover direct physical loss caused by a covered peril to additional property that:
  - 1) is similar to the property described on the "schedule of coverages"; and
  - 2) "you" acquire during the policy period.
- b. **Limit** -- The most that "we" pay for any loss under this supplemental coverage is the least of:
  - 1) the value of covered property as described in the Valuation section of this coverage form; or
  - 2) \$15,000.
- c. **Time Limitation** -- "We" extend coverage to the additional property that "you" acquire for up to 60 days.
 

This supplemental coverage will end when any of the following first occur:

  - 1) this policy expires;
  - 2) 60 days after "you" obtain the additional property; or
  - 3) "you" report the additional property to "us".
- d. **Additional Premium** -- "You" must pay any additional premium due from the date "you" acquire the additional property.

**2. Pollutant Cleanup And Removal --**

- a. **Coverage** -- "We" pay "your" expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release, or escape of the "pollutants" is caused by a covered peril that occurs during the policy period.
- b. **Time Limitation** -- The expenses to extract "pollutants" are paid only if they are reported to "us" in writing within 180 days from the date the covered peril occurs.
- c. **We Do Not Cover** -- "We" do not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants".
 

However, "we" pay the cost of testing that is necessary for the extraction of "pollutants" from land or water.
- d. **Limit** -- The most "we" pay for each location is \$10,000 for the sum of all such expenses arising out of a covered peril occurring during each separate 12-month period of this policy.

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**PERILS COVERED**

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"We" cover risks of direct physical loss or damage unless the loss is limited or caused by a peril that is excluded.

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**PERILS EXCLUDED**

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1. "We" do not pay for loss or damage caused directly or indirectly by one or more of the following excluded causes or events. Such loss or damage is excluded regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events.

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- a. **Civil Authority** -- Order of any civil authority, including seizure, confiscation, destruction, or quarantine of property.

"We" do cover loss resulting from acts of destruction by the civil authority to prevent the spread of fire, unless the fire is caused by a peril excluded under this coverage.

- b. **Earth Movement** -- Any "earth movement".

However, if eruption, explosion, or effusion of a volcano results in "volcanic action", "we" will pay for the loss or damage caused by that "volcanic action".

If "earth movement" results in fire, "we" will pay for the loss or damage caused by that fire. If "earth movement" (other than eruption, explosion, or effusion of a volcano) results in explosion, "we" will pay for the loss or damage caused by that explosion.

This exclusion does not apply to covered property while in transit.

- c. **Flood** -- "Flood".

"We" also do not cover waterborne material carried or otherwise moved by "flood", whether or not driven by wind, including storm surge, or material carried or otherwise moved by mudslide or mudflow.

However, if "flood" results in fire, explosion, or sprinkler leakage, "we" will pay for the loss or damage caused by that fire, explosion, or sprinkler leakage.

This exclusion does not apply to covered property while in transit.

- d. **Nuclear Hazard** -- Nuclear reaction, nuclear radiation, or radioactive contamination (whether controlled or uncontrolled; whether caused by natural, accidental, or artificial means). Loss caused by nuclear hazard is not considered loss caused by fire, explosion, or smoke. Direct loss by fire resulting from the nuclear hazard is covered.

- e. **Sewer, Septic Tank, Sump, Or Drain Backup And Water Below The Surface** --

- 1) Water or waterborne material that backs up, overflows or is otherwise discharged through a sewer or drain, sump or septic tank, eaves trough or downspout; or
- 2) water or waterborne material below the surface of the ground, whether naturally or artificially occurring, including but not limited to water or waterborne material that exerts pressure on or flows, seeps, or leaks through or into a building or structure, sidewalk, driveway, foundation, swimming pool, or other structure.

But if sewer, drain, sump, septic tank, eaves trough, or downspout backup and water or waterborne material below the surface results in fire, explosion, or sprinkler leakage, "we" cover the loss or damage caused by that fire, explosion, or sprinkler leakage.

This exclusion does not apply to covered property while in transit.

- f. **War And Military Action** --

- 1) War, including undeclared war or civil war; or
- 2) a warlike action by a military force, including action taken to prevent or defend against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or

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- 3) insurrection, rebellion, revolution, or unlawful seizure of power including action taken by governmental authority to prevent or defend against any of these.

With regard to any action that comes within the "terms" of this exclusion and involves nuclear reaction, nuclear radiation, or radioactive contamination, this War And Military Action exclusion will apply in place of the Nuclear Hazard exclusion.

2. "We" do not pay for loss or damage that is caused by or results from one or more of the following:

- a. **Contamination Or Deterioration --** "We" do not pay for loss or damage caused by or resulting from contamination or deterioration including corrosion, decay, fungus, mildew, mold, rot, rust, or any quality, fault, or weakness in the covered property that causes it to damage or destroy itself.
- b. **Criminal, Fraudulent, Dishonest, Or Illegal Acts --** "We" do not pay for loss or damage caused by or resulting from criminal, fraudulent, dishonest, or illegal acts committed alone or in collusion with another by:
  - 1) "you";
  - 2) others who have an interest in the property;
  - 3) others to whom "you" entrust the property;
  - 4) "your" partners, officers, directors, trustees, joint venturers, or "your" members or managers if "you" are a limited liability company; or
  - 5) the employees or agents of 1), 2), 3), or 4) above, whether or not they are at work.

This exclusion does not apply to acts of destruction by "your" employees, but "we" do not pay for theft by employees.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- c. **Electrical Currents --** "We" do not pay for loss or damage caused by or resulting from arcing or by electrical currents other than lightning.

But if arcing or electrical currents other than lightning result in a "specified peril", "we" do cover the loss or damage caused by that "specified peril".

- d. **Explosion, Rupture, Or Bursting --** "We" do not pay for loss or damage caused by or resulting from explosion, rupture, or bursting of steam boilers, steam or gas turbines, steam pipes, or steam engines. This exclusion applies only to loss or damage to the steam boilers, steam or gas turbines, steam pipes, or steam engines in which the loss occurred.
- e. **Loss Of Use --** "We" do not pay for loss or damage caused by or resulting from loss of use, delay, or loss of market.
- f. **Mechanical Breakdown --** "We" do not pay for loss or damage caused by or resulting from any mechanical, structural, or electrical breakdown or malfunction including a breakdown or malfunction resulting from a structural, mechanical, or reconditioning process.
- g. **Missing Property --** "We" do not pay for missing property where the only proof of loss is unexplained or mysterious disappearance of covered property, or shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- h. **Pollutants** -- "We" do not pay for loss or damage caused by or resulting from release, discharge, seepage, migration, dispersal, or escape of "pollutants":

- 1) unless the release, discharge, seepage, migration, dispersal, or escape is caused by a "specified peril"; or
- 2) except as specifically provided under the Supplemental Coverages - Pollutant Cleanup and Removal.

"We" do cover any resulting loss caused by a "specified peril".

- i. **Temperature/Humidity** -- "We" do not pay for loss or damage caused by or resulting from dryness, dampness, humidity, or changes in or extremes of temperature.

But if dryness, dampness, humidity, or changes in or extremes of temperature result in a "specified peril", "we" do cover the loss of damage caused by that "specified peril".

- j. **Theft From An Unattended Vehicle** -- "We" do not pay for theft from an unattended vehicle except when it is securely locked, its windows are fully closed, and there is visible evidence that entry into the vehicle was forced.

This exclusion does not apply to covered property in the custody of a carrier for hire.

- k. **Voluntary Parting** -- "We" do not pay for loss or damage caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.
- l. **Wear And Tear** -- "We" do not pay for loss or damage caused by or resulting from wear and tear, marring, or scratching.

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## WHAT MUST BE DONE IN CASE OF LOSS

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1. **Notice** -- In case of a loss, "you" must:

- a. give "us" or "our" agent prompt notice including a description of the property involved ("we" may request written notice); and
- b. give notice to the police when the act that causes the loss is a crime.

2. **You Must Protect Property** -- "You" must take all reasonable steps to protect covered property at and after an insured loss to avoid further loss.

- a. **Payment Of Reasonable Costs** -- "We" do pay the reasonable costs incurred by "you" for necessary repairs or emergency measures performed solely to protect covered property from further damage by a peril insured against if a peril insured against has already caused a loss to covered property. "You" must keep an accurate record of such costs. "Our" payment of reasonable costs does not increase the "limit".

- b. **We Do Not Pay** -- "We" do not pay for such repairs or emergency measures performed on property that has not been damaged by a peril insured against.

3. **Proof Of Loss** -- "You" must send "us", within 60 days after "our" request, a signed, sworn proof of loss. This must include the following information:

- a. the time, place, and circumstances of the loss;
- b. other policies of insurance that may cover the loss;

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- c. "your" interest and the interests of all others in the property involved, including all mortgages and liens;
  - d. changes in title of the covered property during the policy period; and
  - e. estimates, specifications, inventories, and other reasonable information that "we" may require to settle the loss.
4. **Examination** -- "You" must submit to examination under oath in matters connected with the loss as often as "we" reasonably request and give "us" sworn statements of the answers. If more than one person is examined, "we" have the right to examine and receive statements separately and not in the presence of others.
5. **Records** -- "You" must produce records, including tax returns and bank microfilms of all canceled checks relating to value, loss, and expense and permit copies and extracts to be made of them as often as "we" reasonably request.
6. **Damaged Property** -- "You" must exhibit the damaged and undamaged property as often as "we" reasonably request and allow "us" to inspect or take samples of the property.
7. **Volunteer Payments** -- "You" must not, except at "your" own expense, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses except as respects protecting property from further damage.
8. **Abandonment** -- "You" may not abandon the property to "us" without "our" written consent.
9. **Cooperation** -- "You" must cooperate with "us" in performing all acts required by this policy.

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## **VALUATION**

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- 1. **Actual Cash Value** -- The value of covered property will be based on the actual cash value at the time of loss (with a deduction for depreciation).
- 2. **Pair Or Set** -- The value of a lost or damaged article that is part of a pair or set is based on a reasonable proportion of the value of the entire pair or set. The loss is not considered a total loss of the pair or set.
- 3. **Loss To Parts** -- The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

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## **HOW MUCH WE PAY**

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- 1. **Insurable Interest** -- "We" do not cover more than "your" insurable interest in any property.
- 2. **Deductible** -- "We" pay only that part of "your" loss over the deductible amount indicated on the "schedule of coverages" in any one occurrence.
- 3. **Loss Settlement Terms** -- Subject to paragraphs 1., 2., 4., 5., and 6. under How Much We Pay, "we" pay the lesser of:
  - a. the amount determined under Valuation;
  - b. the cost to repair, replace, or rebuild the property with material of like kind and quality to the extent practicable; or
  - c. the "limit" that applies to the covered property.

4. **Coinsurance --**

- a. **When Coinsurance Applies --** "We" only pay a part of the loss if the "limit" is less than the percentage of the value of the covered property that is indicated on the "schedule of coverages".
- b. **How We Determine Our Part Of The Loss --** "Our" part of the loss is determined using the following steps:
  - 1) multiply the percent indicated on the "schedule of coverages" by the value of the covered property at the time of loss;
  - 2) divide the "limit" for covered property by the result determined in b.1) above;
  - 3) multiply the total amount of loss, after the application of any deductible, by the result determined in b.2) above.

The most "we" pay is the amount determined in b.3) above or the "limit", whichever is less. "We" do not pay any remaining part of the loss.

- c. **If There Is More Than One Limit --** If there is more than one "limit" indicated on the "schedule of coverages" for this coverage part, this procedure applies separately to each "limit".
- d. **If There Is Only One Limit --** If there is only one "limit" indicated on the "schedule of coverages" for this coverage, this procedure applies to the total of all covered property to which the "limit" applies.
- e. **When Coinsurance Does Not Apply --** Conditions for coinsurance do not apply unless a coinsurance percentage is indicated on the "schedule of coverages".

5. **Insurance Under More Than One**

**Coverage --** If more than one coverage of this policy insures the same loss, "we" pay no more than the actual claim, loss, or damage sustained.

6. **Insurance Under More Than One Policy --**

- a. **Proportional Share --** "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.
- b. **Excess Amount --** If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit".

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## LOSS PAYMENT

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1. **Loss Payment Options --**

- a. **Our Options --** In the event of loss covered by this coverage form, "we" have the following options:
  - 1) pay the value of the lost or damaged property;
  - 2) pay the cost of repairing or replacing the lost or damaged property;
  - 3) rebuild, repair, or replace the property with other property of equivalent kind and quality, to the extent practicable, within a reasonable time; or
  - 4) take all or any part of the property at the agreed or appraised value.



- b. **Notice Of Our Intent To Rebuild, Repair, Or Replace** -- "We" must give "you" notice of "our" intent to rebuild, repair, or replace within 30 days after receipt of a duly executed proof of loss.
2. **Your Losses** --
- a. **Adjustment And Payment Of Loss** -- "We" adjust all losses with "you". Payment will be made to "you" unless another loss payee is named in the policy.
  - b. **Conditions For Payment Of Loss** -- An insured loss will be payable 30 days after:
    - 1) a satisfactory proof of loss is received; and
    - 2) the amount of the loss has been established either by written agreement with "you" or the filing of an appraisal award with "us".
3. **Property Of Others** --
- a. **Adjustment And Payment Of Loss To Property Of Others** -- Losses to property of others may be adjusted with and paid to:
    - 1) "you" on behalf of the owner; or
    - 2) the owner.
  - b. **We Do Not Have To Pay You If We Pay The Owner** -- If "we" pay the owner, "we" do not have to pay "you". "We" may also choose to defend any suits brought by the owners at "our" expense.

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## OTHER CONDITIONS

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1. **Appraisal** -- If "you" and "we" do not agree on the amount of the loss or the value of covered property, either party may demand that these amounts be determined by appraisal.

If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, "you" or "we" can ask a judge of a court of record in the state where the property is located to select an umpire.

The appraisers will then determine and state separately the amount of each loss.

The appraisers will also determine the value of covered property items at the time of the loss, if requested.

If the appraisers submit a written report of any agreement to "us", the amount agreed upon will be the amount of the loss. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three, sets the amount of the loss.

Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by "you" and "us".

2. **Benefit To Others** -- Insurance under this coverage will not directly or indirectly benefit anyone having custody of "your" property.

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3. **Conformity With Statute** -- When a condition of this coverage is in conflict with an applicable law, that condition is amended to conform to that law.
4. **Estates** -- This provision applies only if the insured is an individual.
- a. **Your Death** -- On "your" death, "we" cover the following as an insured:
- 1) the person who has custody of "your" property until a legal representative is qualified and appointed; or
  - 2) "your" legal representative.
- This person or organization is an insured only with respect to property covered by this coverage.
- b. **Policy Period Is Not Extended** -- This coverage does not extend past the policy period indicated on the declarations.
5. **Misrepresentation, Concealment, Or Fraud** -- This coverage is void as to "you" and any other insured if, before or after a loss:
- a. "you" or any other insured have willfully concealed or misrepresented:
- 1) a material fact or circumstance that relates to this insurance or the subject thereof; or
  - 2) "your" interest herein; or
- b. there has been fraud or false swearing by "you" or any other insured with regard to a matter that relates to this insurance or the subject thereof.
6. **Policy Period** -- "We" pay for a covered loss that occurs during the policy period.
7. **Recoveries** -- If "we" pay "you" for the loss and lost or damaged property is recovered, or payment is made by those responsible for the loss, the following provisions apply:
- a. "you" must notify "us" promptly if "you" recover property or receive payment;
  - b. "we" must notify "you" promptly if "we" recover property or receive payment;
  - c. any recovery expenses incurred by either are reimbursed first;
  - d. "you" may keep the recovered property but "you" must refund to "us" the amount of the claim paid, or any lesser amount to which "we" agree; and
  - e. if the claim paid is less than the agreed loss due to a deductible or other limiting "terms" of this policy, any recovery will be pro rated between "you" and "us" based on "our" respective interest in the loss.
8. **Restoration Of Limits** -- A loss "we" pay under this coverage does not reduce the applicable "limits".
9. **Subrogation** -- If "we" pay for a loss, "we" may require "you" to assign to "us" "your" right of recovery against others. "You" must do all that is necessary to secure "our" rights. "We" do not pay for a loss if "you" impair this right to recover.
- "You" may waive "your" right to recover from others in writing before a loss occurs.
10. **Suit Against Us** -- No one may bring a legal action against "us" under this coverage unless:
- a. all of the "terms" of this coverage have been complied with; and

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- b. the suit has been brought within two years after "you" first have knowledge of the loss.

If any applicable law makes this limitation invalid, then suit must begin within the shortest period permitted by law.

11. **Territorial Limits** -- "We" cover property while it is in the United States of America, its territories and possessions, Canada, and Puerto Rico.

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**DEFINITIONS**


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1. "Earth movement" means:

- a. earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. landslide, mudslide or mudflow;
- c. mine subsidence whether or not the non-natural mine is currently in use;
- d. any other movement of earth, including sinking (other than "sinkhole collapse"), shifting, or rising of earth including, but not limited to, erosion, expansion, shrinking, freezing, thawing, improper soil compaction, and movement of water under the surface of the ground that cause cracking, settling, or shifting of foundations, buildings, or structures; or
- e. eruption, explosion, or effusion of a volcano.

2. "Flood" means an overflowing or inundation by water of an area that was previously and normally dry or not covered by water, whether caused artificially or naturally, by human or animal forces or by an act of nature. "Flood" includes, but is not limited to:

- a. overflow of inland or tidal waters, waves, tidal waves, or tsunamis, or spray that results from any of these, all whether driven by wind or not, including but not limited to storm surge;
- b. unusual and rapid accumulation or runoff of surface waters from any source; or
- c. mudslides or mudflows if caused by:
  - 1) unusual and rapid accumulation or runoff of surface waters or waves; or
  - 2) currents of water exceeding anticipated cyclical levels.

3. "Limit" means the amount of coverage that applies.

4. "Pollutant" means:

- a. any solid, liquid, gaseous, thermal, or radioactive irritant or contaminant, including acids, alkalis, chemicals, fumes, smoke, soot, vapor, and waste. Waste includes materials to be recycled, reclaimed, or reconditioned, as well as disposed of; and
- b. electrical or magnetic emissions, whether visible or invisible, and sound emissions.

5. "Schedule of coverages" means:

- a. all pages labeled "schedule of coverages" or schedules that pertain to this coverage; and
- b. declarations or supplemental declarations that pertain to this coverage.

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6. "Sinkhole collapse" means the sudden settlement or collapse of earth supporting the covered property into subterranean voids created by the action of water on a limestone or similar rock formation. It does not include the value of the land or the cost of filling sinkholes.
7. "Specified perils" means aircraft; civil commotion; explosion; falling objects; fire; hail; leakage from fire extinguishing equipment; lightning; riot; "sinkhole collapse"; smoke; sonic boom; vandalism; vehicles; "volcanic action"; water damage; weight of ice, snow, or sleet; and windstorm.

Falling objects does not include loss to:

- a. personal property in the open; or
- b. the interior of buildings or structures or to personal property inside buildings or structures unless the exterior of the roofs or walls are first damaged by a falling object.

Water damage means the sudden or accidental discharge or leakage of water or steam as a direct result of breaking or cracking of a part of the system or appliance containing the water or steam.

8. "Terms" means all provisions, limitations, exclusions, conditions, and definitions that apply.
9. "Volcanic action" means airborne volcanic blast or airborne shock waves; ash, dust, or particulate matter; or lava flow.

"Volcanic action" does not include the cost to remove ash, dust, or particulate matter that does not cause direct physical loss or damage to the covered property.

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IM 7506 10 09  
Page 1 of 2

## **SCHEDULE OF COVERAGES SCHEDULED PROPERTY FLOATER**

(The entries required to complete this schedule  
will be shown below or on the "schedule of coverages".)

### **COVERED PROPERTY**

Item No.	DESCRIBED PROPERTY	"Limit"
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

### **COVERAGE EXTENSIONS**

Additional Debris Removal Expenses \$ \_\_\_\_\_

### **SUPPLEMENTAL COVERAGES**

Newly Acquired Property \$ \_\_\_\_\_

Pollutant Cleanup And Removal \$ \_\_\_\_\_

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Page 2 of 2

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## DEDUCTIBLE AND COINSURANCE

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### DEDUCTIBLE

Deductible Amount \$2500

### COINSURANCE

☐ Not Applicable

☒ 80%      ☐ 90%      ☐ 100%      ☐ Other \_\_\_\_\_%

### OPTIONAL COVERAGES AND ENDORSEMENTS

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# Exhibit D

**AGENT\*\*\*\*\***

1309516

ACRISURE, LLC  
DBA WINE SERGI INS. GROUP  
1000 E WARRENVILLE RD #101  
NAPERVILLE IL 60563

**AGENT\*\*\*\*\***

THIS NOTICE IS PROVIDED IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS NOTICE DOES NOT GRANT COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF COVERAGE UNDER THE POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

### Schedule

<b>Disclosure of Premium:</b>	
Total Terrorism Premium	\$ 75
Fire Following Premium	\$
Other than Fire Following Premium	\$

### Disclosure of Terrorism Coverage Available

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from "acts of terrorism" defined in Section 102(1) of the Act as follows:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

The premium charged for this coverage is provided in the Schedule above and does not include any charges for the portion of loss that may be covered by the Federal Government as described below.

Your policy may contain other exclusions which could affect your coverage, such as an exclusion for Nuclear Events or Pollution. **Please read your policy carefully.**

### Note for Commercial Property or Commercial Inland Marine Policyholders in Standard Fire States:

In your state, a terrorism exclusion makes an exception for (and therefore provides coverage for) fire losses resulting from an act of terrorism. If you reject the offer of terrorism coverage, therefore, that rejection does not apply to fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy. The additional premium just for such fire coverage is shown in the Schedule above.

### Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

**Cap on Insurer Participation in Payment of Terrorism Losses**

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers' liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**Rejection of Terrorism Insurance Coverage**

☐ I decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

\_\_\_\_\_  
Applicant/Policyholder Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Hanover Insurance Company

\_\_\_\_\_  
Insurance Company

\_\_\_\_\_  
UHC D713545 00

\_\_\_\_\_  
Quote or Policy Number



NEW BUSINESS POLICY

## COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

THESE DECLARATIONS, TOGETHER WITH THE COVERAGE FORM(S) AND ANY ENDORSEMENT(S),  
COMPLETE THE BELOW NUMBERED POLICY.

POLICY NUMBER: UHC D713545 00  
COMPANY: Hanover Insurance Company

### DECLARATIONS

**Item 1. Named Insured and Address**  
(No., Street, Town, County, State)

Agent

SUPERIOR KNIFE LLC  
1225 ARTHUR AVE  
ELK GROVE VILLAGE IL 60007

1309516  
ACRISURE, LLC  
DBA WINE SERGI INS. GROUP  
1000 E WARRENVILLE RD #101  
NAPERVILLE IL 60563

**Item 2. Policy Period:** (Month, Day, Year)

From 10/01/2018 To 10/01/2019

12:01 A. M., standard time at the address of the Named Insured as stated herein.

**Form of Business:**

- ☐ Individual
 ☐ Partnership
 ☐ Corporation
 ☒ Limited Liability Company  
☐ Organization (Other than Partnership, Joint Venture or Limited Liability Company)

**Business Description: Knife Sharpening Company**

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY. THIS PREMIUM MAY BE SUBJECT TO AUDIT.

**Item 3. Limit of Insurance**

Each Occurrence or Each Claim Limit:	\$2,000,000
Products – Completed Operations Aggregate Limit:	\$2,000,000
General Aggregate Limit	\$2,000,000

Retained Limit:	\$0
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**Item 4. Premium Computation:**

Estimated Annual Premium	\$3,242.00
Premium Surcharges	\$
(Premium Surcharges NOT APPLICABLE in New York)	
Annual Minimum Premium	\$3,242.00
Advance Premium	\$3,242.00

**Endorsements:**

See next page



- ☐ PREPAID - the total annual premium is due at inception.
- ☐ HANOCASH - the annual premium is payable according to the term of the Hanocash endorsement attached.
- ☐ ACCOUNT BILL    ☒ DIRECT BILL    ☐ Annual    ☐ Semi-Annual    ☐ Other

Audit period: Non Auditable Unless indicated by    ☐ Annual    ☐ Semi-Annual    ☐ Other

If you cancel this policy, we shall receive and retain not less than NIL as a policy minimum premium.





### Forms Applicable To This Policy:

<u>Form Number</u>	<u>Form Edition</u>	<u>Description</u>
331-0053	08/16	Illinois Inquiry Notice
401-1127	01/15	Notice - Acceptance Of Terrorism Coverage and Disclosure Of Premium
401-1337	02/16	Trade Or Economic Sanctions Endorsement
401-1374	01/15	Offer Disclosure Pursuant To Terrorism Risk Insurance Act
401-1377	12/14	Company Address Listing
401-1379	12/14	Illinois Inquiry Notice
475-0001	01/18	Hanover Commercial Follow Form Excess And Umbrella Policy
475-0031	12/14	Exclusion - Professional Liability (Coverage A)
475-0038	08/18	Illinois Changes
475-0057	12/14	Exclusion - Lead (Coverage A and B)
475-0066	01/15	Cap on Losses From Certified Acts of Terrorism
475-0070	01/15	Exclusion of Punitive Damages Related To A Certified Act Of Terrorism
475-0080	12/14	Exclusion - Fungi Or Bacteria Liability (Coverage A and B)
475-0084	12/14	Exclusion - Silica (Coverage A and B)
475-0092	12/14	Exclusion - Total Pollution With Hostile Fire Exception (Coverage A)
475-0100	12/14	Illinois Exclusion - Abuse and Molestation (Coverage A and B)
475-0215	12/14	Exclusion - Discrimination (Coverage A and B)
475-0351	12/14	Exclusion - Employee Benefits Liability (Coverage B)
SIG 11 00	11/17	Signature Page



## SCHEDULE OF UNDERLYING POLICIES

**Insured:** SUPERIOR KNIFE LLC

**Effective on and after** 10/01/2018 12:01 A.M. Standard Time

**This Schedule is part of Policy Number:** UHC D713545 00

CARRIER, POLICY NUMBER & PERIOD	TYPE OF POLICY	APPLICABLE LIMITS OR AMOUNT OF INSURANCE	
(a) Carrier: CITIZENS INSURANCE COMPANY OF ILLINOIS Policy Number: ZCC D713544 00 Policy Period: 10/01/2018 TO 10/01/2019	Commercial General Liability	\$1,000,000	Occurrence/ Each Claim
	<input type="checkbox"/> Owned Autos	\$1,000,000	Personal Injury
	<input type="checkbox"/> Non-owned & Hired Autos	\$1,000,000	Advertising Injury
		\$2,000,000	General Aggregate
		\$2,000,000	Product/Completed Operations Aggregate
(b) Carrier: ALLMERICA FINANCIAL BENEFITS  Policy Number: AWC D713201 00 Policy Period: 10/01/2018 TO 10/01/2019	Comprehensive Automobile Liability including	Bodily Injury and Property Damage Liability Combined:	
	<input checked="" type="checkbox"/> Owned Autos	\$1,000,000	Each Accident
	<input checked="" type="checkbox"/> Non-Owned & Hired Autos	Bodily Injury	
		\$	Each Person
		\$	Each Accident
(c) Carrier:  Policy Number: Policy Period:	Garage Liability	Bodily Injury and Property Damage Liability Combined:	
	<input type="checkbox"/> Dealers		Each Accident
	<input type="checkbox"/> Service	Garage Operations	
		\$	Auto Only
		\$	Other than Auto Only
(d) Carrier: CITIZENS INSURANCE COMPANY OF ILLINOIS Policy Number: WCC D689285 00 Policy Period: 10/01/2018 TO 10/01/2019	Standard Workers' Compensation & Employers' Liability	<b>Coverage B – Employers Liability</b>	
		Bodily Injury by Accident	
		\$500,000	Each Accident
		Bodily Injury by Disease	
		\$500,000	Each Employee
	<b>NEW YORK ONLY:</b> The Umbrella Coverage for Workers' Compensation and Employers Liability is not applicable in situations where an employee is subject to the New York Workers' Compensation Law.	\$500,000	Aggregate

An "X" marked in the box provided indicates these broadening or optional coverage are provided in the Underlying Insurance



(e) Carrier: Policy Number: Policy Period:	Liquor Liability	\$ \$ \$ \$	Each Common Cause Other Aggregate Other
(f) Carrier: Policy Number: Policy Period:	Professional Liability	\$ \$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate Other
(g) Carrier: Policy Number: Policy Period:	Directors & Officers Liability	\$ \$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate Other
(h) Carrier: Policy Number: Policy Period:	Stop Gap Liability	Bodily Injury by Accident \$ Bodily Injury by Disease \$ \$	Each Accident Each Employee Aggregate
(i) Carrier: Policy Number: Policy Period:	Abuse and Molestation	\$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate
(j) Carrier: Policy Number: Policy Period:	Foreign	\$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate
(k) Carrier: CITIZENS INSURANCE COMPANY OF ILLINOIS Policy Number: ZCC D713544 00 Policy Period: 10/01/2018 TO 10/01/2019	Employee Benefits Liability	\$ \$1,000,000 \$ \$3,000,000	Each Occurrence Each Claim Other Aggregate
(l) Carrier: Policy Number: Policy Period:	Other	\$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate

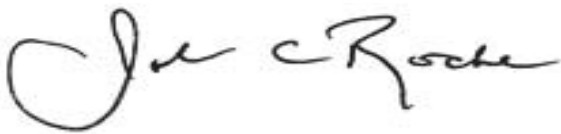
An "X" marked in the box provided indicates these broadening or optional coverage are provided in the Underlying Insurance

Countersigned By: \_\_\_\_\_  
Authorized Representative of the Company

Date: \_\_\_\_\_

THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

**In Witness Whereof**, this company has caused this policy to be signed by its President and Secretary and countersigned on the declarations page, where required, by a duly authorized agent of the company.

A handwritten signature in black ink, appearing to read "John C. Roche". The signature is fluid and cursive, with the first name "John" being more prominent.

John C. Roche  
President

A handwritten signature in black ink, appearing to read "Charles F. Cronin". The signature is cursive, with the first name "Charles" being more prominent.

Charles Frederick Cronin  
Secretary

## **ILLINOIS INQUIRY NOTICE**

In accordance with Illinois statute 215 ILCS 5/143c, the following information is provided:

This notice is to advise you that should any complaints arise regarding this insurance, you may contact the following:

The Hanover Insurance Company, Massachusetts Bay Insurance Company, Citizens Insurance Company of America, Citizens Insurance Company of Midwest, Citizens Insurance Company of Illinois, Allmerica Financial Benefit Insurance Company, Allmerica Financial Alliance Insurance Company and The Hanover American Insurance Company, complaint department for policies written through agencies located in the state of Illinois is:

**Complaint Department  
The Hanover Insurance Group  
333 W. Pierce Road  
Suite 300  
Itasca, Illinois 60143  
1-800-685-5669**

The address of the Consumer Division or Public Services Section of the Illinois Department of Insurance is:

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
320 W. Washington Street  
Springfield, Illinois 62767  
Or**

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
122 S Michigan Ave 19<sup>th</sup> Floor  
Chicago, IL 60603  
1-312-814-2420**

**Or**

**<http://insurance.illinois.gov>**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **TRADE OR ECONOMIC SANCTIONS ENDORSEMENT**

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



## IMPORTANT INFORMATION ABOUT YOUR INSURANCE COMPANY

The Home Office address for the Insurance Company shown on the policy Declarations page is:

**Allmerica Financial Alliance Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**The Hanover American Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Allmerica Financial Benefit Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**The Hanover Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Campmed Casualty & Indemnity Company, Inc.**  
(A Stock Company)  
12100 Sunset Hills Road, Suite 300  
Reston, VA 20190-3295

**Hanover Lloyds Insurance Company**  
(A Texas Lloyd's Plan Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of America**  
(A Stock Company)  
808 North Highlander Way  
Howell, MI 48843-1070

**Massachusetts Bay Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of Illinois**  
(A Stock Company)  
333 West Pierce Road, Suite 300  
Itasca, IL 60143-3114

**The Hanover New Jersey Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of the Midwest**  
(A Stock Company)  
9229 Delegates Row, Suite 100  
Indianapolis, IN 46240-3824

**Verlan Fire Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of Ohio**  
(A Stock Company)  
1300 East 9th Street, Suite 1010  
Cleveland, OH 44114-1506

## **ILLINOIS INQUIRY NOTICE**

In accordance with Illinois statute 215 ILCS 5/143c and 50 IL Adm. Code 753, the following information is provided:

Hanover Insurance Company is a stock company with a corporate office at 440 Lincoln Street, Worcester, MA 01653.

This notice is to advise you that should any complaints arise regarding this insurance, you may contact the following:

The Hanover Insurance Company, Massachusetts Bay Insurance Company, Citizens Insurance Company of America, Citizens Insurance Company of Illinois and Allmerica Financial Benefit Insurance Company, complaint department for policies written through agencies located in the state of Illinois is:

**Complaint Department  
The Hanover Insurance Group  
333 W. Pierce Road Suite 300  
Itasca, Illinois 60143  
1-800-685-5669**

The address of the Consumer Division or Public Services Section of the Illinois Department of Insurance is:

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
320 W. Washington Street  
Springfield, Illinois 62767  
866-445-5364**

# HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

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## HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

Various provisions of this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

We will not pay sums or perform acts or services unless explicitly provided for in this policy.

Throughout this policy the words **you** and **your** refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy. The words **we**, **us** and **our** refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to the Definitions Section of this policy.

### I. INSURING AGREEMENTS

#### 1. Coverage A – Follow Form Excess Liability Insuring Agreement

- a. We will pay on behalf of the insured those sums in excess of the “underlying insurance” which the insured becomes legally obligated to pay as damages, provided:

- (1) Such damages are covered by “underlying insurance”;
- (2) The event which triggers coverage on the “underlying insurance” takes place during the policy period of this insurance, and
- (3) The applicable Limit of Insurance of the “underlying insurance” is exhausted by payment of judgments, settlements, related costs or expenses for damages also covered under this policy. We will not pay if the Limit of Insurance of “underlying insurance” is exhausted by payment for damages to which this insurance does not also apply.

- b. We will not pay damages that the “underlying insurance” does not pay for any reason other than exhaustion of limits of the “underlying insurance” by payment of judgments, settlements, related costs or expenses.

- c. The terms and conditions of the “underlying insurance” in effect at the inception of this policy apply unless they are inconsistent with the terms and conditions of this policy.

- d. The amount we will pay for damages is limited as described in section **VI. LIMITS OF INSURANCE**.

- e. We have no obligation under this insurance with respect to any claim or “suit” settled without our consent.

- f. This policy does not apply to any part of loss within the Limit of Insurance of “underlying insurance”, or any related costs or expenses.

- g. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under section **II. DEFENSE AND SETTLEMENT** and section **V. SUPPLEMENTAL PAYMENTS**.

#### 2. Coverage B – Umbrella Liability Insuring Agreement

- a. We will pay on behalf of the insured those sums in excess of the “retained limit” shown in the Declarations which the insured becomes legally obligated to pay as damages because of “bodily injury”, “property damage”, “personal injury” and “advertising injury” to which this coverage applies, provided:

- (1) The:

- (a) “Bodily injury” or “property damage” is caused by an “occurrence”; or
- (b) “Personal injury” and “advertising injury” is caused by an offense arising out of your business;

Which took place within the coverage territory as described in section **IV. COVERAGE TERRITORY**;

- (2) The “bodily injury” or “property damage” occurs during the policy period, and the offense causing “personal injury” or “advertising injury” is first committed during our policy period; and

- (3) Prior to the policy period, no insured and no “employee” authorized by you to give or receive notice of an “occurrence”, offense or claim, knew that the “bodily injury”, “property damage”, “personal injury” or “advertising injury” had occurred, in whole or in part. If such an insured or authorized “employee” knew, prior to the policy period, that the “bodily injury”, “property damage”, “personal injury” or “advertising injury” occurred, then any continuation, change or resumption of such “bodily injury”, “property damage”, “personal injury” or “advertising injury” during or after the policy period will be deemed to have been known prior to the policy period.

However, “bodily injury”, “property damage”, “personal injury” or “advertising injury” which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured or by any “employee” authorized by you to give or receive notice of an “occurrence”, offense or claim, includes any continuation, change or resumption of that “bodily injury”, “property damage”, “personal injury” or “advertising injury” after the end of the policy period.

- b. “Bodily injury”, “property damage”, “personal injury” or “advertising injury” will be deemed to have been known to have occurred at the earliest time when any insured, or any “employee” authorized by you to give or receive notice of an “occurrence”, offense or claim:
- (1) Reports all or any part of the “bodily injury”, “property damage”, “personal injury” or “advertising injury” to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the “bodily injury”, “property damage”, “personal injury” or “advertising injury”; or
  - (3) Becomes aware by any other means that “bodily injury”, “property damage”, “personal injury” or “advertising injury” has occurred or has begun to occur.
- c. **Coverage B – Umbrella Liability Insuring Agreement** does not apply to:
- (1) Any claim or “suit” which is covered by “underlying insurance” regardless of

whether or not the “underlying insurance” is available or the limits have been exhausted;

- (2) Any claim or “suit” covered by **Coverage A – Follow Form Excess Liability Insurance** of this policy; or

- (3) Any costs or expenses related to loss as described by c.(1) or c.(2) above.

- d. The amount we will pay for damages is limited as described in section **VI. LIMITS OF INSURANCE**.

- e. We have no obligation under this insurance with respect to any claim or “suit” settled without our consent.

- f. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under section **II. DEFENSE AND SETTLEMENT** and section **V. SUPPLEMENTARY PAYMENTS**.

## II. DEFENSE AND SETTLEMENT

### 1. Coverage A – Follow Form Excess Liability Defense and Settlement:

- a. We have the right and duty to defend the insured against any “suit” seeking damages to which this insurance applies. If the “underlying insurer” defends a “suit” even if such “suit” is groundless, false or fraudulent, we will also defend such a “suit”. We have no duty to defend any person or organization against any claim or “suit”:
  - (1) To which this insurance does not apply; or
  - (2) If any other insurer has a duty to defend.
- b. Where we have the duty to defend, we may, at our discretion, investigate any occurrence or offense and settle any claim or “suit”.
- c. Where we have no duty to defend, we have the right to participate in the investigation and settlement of any claim, and defense of any “suit”, that we feel may create liability on our part under the terms and conditions of this policy. If we exercise this right, we will do so at our own expense.
- d. Our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements. However, if the Limits of Insurance of any “underlying insurance” are reduced by defense or claim expense

under the terms of that policy, then our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments, settlements, and defense or claim expense as defined in the “underlying insurance”.

**2. Coverage B – Umbrella Liability Defense and Settlement:**

- a. We have the right and duty to defend the insured against any “suit” because of “bodily injury”, “property damage”, “personal injury” or “advertising injury” to which this insurance applies, even if such “suit” is groundless, false or fraudulent. We have no duty to defend any person or organization against any claim or “suit”:
  - (1) To which this insurance does not apply; or
  - (2) If any other insurer has a duty to defend.
- b. Where we have the duty to defend, we may, at our discretion, investigate any “occurrence” or offense and settle any claim or “suit”.
- c. Where we have no duty to defend, we have the right to participate in the investigation and settlement of any claim, and defense of any “suit”, that we feel may create liability on our part under the terms and conditions of this policy. If we exercise this right, we will do so at our own expense.
- d. Our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements. However, if the Limits of Insurance of any “underlying insurance” are reduced by defense or claim expense under the terms of that policy, then our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments, settlements, and defense or claim expense as defined in the “underlying insurance”.

**III. WHO IS AN INSURED**

**1. Coverage A – Follow Form Excess Liability Who Is An Insured:**

The following persons or organizations qualify as an insured:

- a. The named insured stated in Item 1 of the Declarations; and
- b. Any other person or organization qualifying as an insured under the “underlying insurance” but not beyond the

extent of any limitation imposed under any contract or agreement.

If coverage provided to an Additional Insured is required by contract or agreement, the most we will pay on behalf of the Additional Insured is the amount of insurance required by the contract, less any amounts payable by “underlying insurance”.

Additional Insured coverage provided by this insurance will not be broader than coverage provided by the “underlying insurance”. The inclusion of Additional Insureds does not increase the Limit of Insurance.

**2. Coverage B – Umbrella Liability Who Is An Insured:**

- a. If you are designated in the Declarations as:
  - (1) An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - (2) A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - (3) A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - (4) An organization other than a partnership, joint venture or limited liability company, you are an insured. Your “executive officers” and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - (5) A trust, you are an insured. Your trustees are also insureds, but only with respect their duties as trustees.
- b. Each of the following is also an insured:
  - (1) Your “volunteer workers” only while performing duties related to the conduct of your business, or your “employees”, other than your “executive officers” (if you are an organization other than a partnership, joint venture or limited liability



company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these “employees” or “volunteer workers” is an insured for:

(a) “Bodily injury”, “personal injury” or “advertising injury”:

(i) To you, to your partners or members (if you are a partnership or joint venture), to a co-“employee” while in the course of his or her employment or performing duties related to the conduct of your business, or to your other “volunteer workers” while performing duties related to the conduct of your business;

(ii) To the spouse, child, parent, brother or sister of the “employee” or “volunteer worker” as a consequence of paragraph (a)(1) above;

(iii) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (a)(1) or (a)(2) above; or

(iv) Arising out of his or her providing or failing to provide professional health care services.

(b) “Property Damage” to property:

(i) Owned, occupied or used by;

(ii) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your “employees”, “volunteer workers”, any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

(2) Any person (other than your “employee” or “volunteer worker”), or any organization while acting as your real estate manager.

(3) Any person or organization having proper temporary custody of your property if you die, but only:

(a) With respect to liability arising out of the maintenance or use of that property; and

(b) Until your legal representative has been appointed.

(4) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

c. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or a majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However,

(1) Coverage under this provision is afforded only until the 90<sup>th</sup> day after you acquire or form the organization or the end of the policy period, whichever is earlier.

(2) Coverage does not apply to “bodily injury” or “property damage” that occurred before you acquired or formed the organization; and

(3) Coverage does not apply to “personal injury” and “advertising injury” arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

#### IV. COVERAGE TERRITORY

##### 1. Coverage A – Follow Form Excess Liability:

With respect to **Coverage A – Follow Form Excess Liability**, this insurance applies anywhere that the applicable “underlying insurance” applies.

##### 2. Coverage B – Umbrella Liability:

With respect to **Coverage B – Umbrella Liability**, this insurance applies anywhere in the world, with the exception of any country or jurisdiction subject to sanctions or embargo by the United States of America.

#### V. SUPPLEMENTAL PAYMENTS

Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

1. We will pay the following expenses in addition to the Limit of Insurance with respect to any claim we investigate or settle, or any “suit” against an insured we defend, to the extent such expenses are not covered by “underlying insurance” or “other insurance”:
  - a. All expenses we incur.
  - b. Up to \$2,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which this coverage applies. We do not have to furnish these bonds.
  - c. The premium costs of appellate bonds or bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.
  - d. Reasonable expenses incurred by an insured at our request to assist us in the investigation or defense of the claim or “suit”, including actual loss of earnings up to \$1000 a day because of time off from work.
  - e. All costs taxed against an insured in the “suit”, except any:
    - (1) Attorneys’ fees or litigation expenses; or
    - (2) Other loss, cost or expense in connection with any injunction or equitable relief.
  - f. Pre-judgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any pre-judgment interest based on that period of time after the offer.
  - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court that part of the judgment that is within our applicable limit of insurance.
2. Our obligation to make these payments ends when we have used up the applicable Limit of Insurance.
3. If the Limits of Insurance of any “underlying insurance” are reduced by defense expense or claim expense as defined under the terms of that policy, then any Supplemental Payments we make that meet the “underlying insurance” definition of defense expense or claim

expense will reduce our applicable Limits of Insurance in the same manner.

4. If the law of a country or jurisdiction prohibits us from paying a Supplementary Payment, we will reimburse you for a Supplementary Payment you have incurred with our consent.

**VI. LIMITS OF INSURANCE**

Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

1. The limits of insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or “suits” brought;
  - c. Persons or organizations making claims or bringing “suits”; or
  - d. Coverages provided by this policy.
2. The Products-Completed Operations Aggregate Limit shown in the Declarations is the most we will pay for the sum of all damages included in the “products - completed operations hazard”.
3. The General Aggregate Limit shown in the Declarations is the most we will pay for the sum of all damages to which this insurance applies, except:
  - a. Damages Included in the “products - completed operations hazard”; or
  - b. Otherwise covered by “underlying insurance”, but to which no aggregate limit in such “underlying insurance” applies.
4. Subject to the applicable Aggregate Limit, the Each Occurrence Limit shown in the Declarations is the most we will pay for damages arising out of any one “occurrence” or offense under **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability** combined, even if such loss is or otherwise would be covered in whole or part under more than one “underlying insurance”.
5. Any amount paid for loss will reduce the amount of the applicable Aggregate Limit available for any other payments.
6. If the applicable Aggregate Limit has been reduced to any amount that is less than the Each Occurrence Limit, the remaining amount of such applicable Aggregate Limit is the most that will be available for any other payments.
7. If the Limits of Insurance of any “underlying insurance” are reduced by defense or claim expenses under the terms of that policy, then any defense or claim expense payments we

make to defend any insured will reduce our applicable Limits of Insurance in the same manner.

8. The Aggregate Limits of this policy apply separately to each consecutive annual period. If our policy period is extended to a period greater than twelve (12) months, the extended period will be considered part of the original policy period for determining the Limits of Insurance.

## VII. EXCLUSIONS

1. Applicable to both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

This insurance does not apply to:

- a. **Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability**

Any liability or expense arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if claims are made or "suits" brought for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to liability or expense because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- b. **Asbestos**

"Bodily injury", "property damage", "personal injury" or "advertising injury" or

any other injury, damage, loss cost or expense arising out of any actual or alleged:

- (1) Inhaling, ingesting or prolonged physical exposure by any person to asbestos or asbestos fibers or goods or products containing asbestos;
- (2) Use of asbestos in constructing or manufacturing any good, product or structure;
- (3) Intentional or accidental removal including encapsulation, dispersal, sealing or disposal of asbestos or asbestos fibers from any good, product or structure;
- (4) Manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos;
- (5) Products manufactured, sold, handled or distributed by or on behalf of the insured which contain asbestos; or
- (6) Acts or omissions of the insured in connection with the general supervision of any job involving the removal, enclosure, encapsulation, dispersal, sealing or disposal of asbestos, asbestos fibers or products containing asbestos. General supervision includes the rendering of or failure to render any instructions, recommendations, warnings or advice.

- c. **Damage to Property**

"Property damage" or related expenses arising from damage to or loss of use of:

- (1) Real property owned, leased, occupied or in the care, custody or control of any insured;
- (2) Real property loaned to any insured;
- (3) That particular part of real property on which you or any contractors or subcontractors working directly on your behalf are performing operations, if the "property damage" arises out of those operations.
- (4) That particular part of any property that must be restored repaired or replaced because "your work" was incorrectly performed on it.
- (5) Personal property in the care, custody or control of the insured.
- (6) Paragraphs (2) and (3) above do not apply to liability assumed under a sidetrack agreement.

- (7) Paragraph (4) above does not apply to “property damage” included in the “Products Completed Operations Hazard”.

**d. Employment Related Practices**

Any claim by or on behalf of:

- (1) A person arising out of any:
- (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) Any person as a consequence of “bodily injury” to that person at whom any of the employment-related practices described in Paragraph (1) above is directed.

This exclusion applies:

- (3) Whether you may be liable as an employer or in any other capacity; and
- (4) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**e. Miscellaneous Laws**

Any liability or expense under any of the following:

- (1) Any obligation of the insured under a workers’ compensation, disability, benefits or unemployment compensation law or any similar law;
- (2) Any breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violations of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 (ERISA), as amended, or any similar local, state, federal or foreign law or regulations; or
- (3) Any uninsured or underinsured motorist, no-fault, medical payments, first party personal injury or similar law.

**f. Nuclear Liability**

“Nuclear Energy Hazards”.

**g. Recall of Products, Work or Impaired Property**

Damages claimed for any loss of use, cost, or expense related to recall, withdrawal, disposal or removal of, inspection, repair or replacement of:

- (1) “Your product”
- (2) “Your work”, or
- (3) “Impaired property”;

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**h. Recording and Distribution of Material in Violation of Law**

Any liability or expense arising out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) The Fair Credit Reporting Act (FCRA) and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

**i. War**

Any liability or expense arising out of “war”.

**2. Applicable to Coverage A – Follow Form Excess Liability only:**

This insurance does not apply to:

**a. Pollution**

- (1) Any “bodily injury”, “property damage”, “personal injury” or “advertising injury” arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of “pollutants”:



- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
  - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot originating from equipment that is used to heat, cool, or dehumidify the building, or equipment that is used to heat water for personal use by the building's occupants or their guests;
  - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site, or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured other than the additional insured; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.; or
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to

the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any

way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order, statutory, or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

However, paragraphs (2)(a) and (2)(b) above do not apply to liability for damages because of "property damage" that an insured would have in the absence of such request, demand, order or statutory or regulatory requirement or such claim or "suit" by or on behalf of a governmental authority.

(3) As used in this exclusion, a hostile fire is one which becomes uncontrollable or breaks out from where it was intended to be.

3. Applicable to **Coverage B – Umbrella Liability** only:

This insurance does not apply to:

a. **Aircraft, "Unmanned Aircraft", "Auto" or Watercraft:**

Any liability or expense arising out of the ownership, maintenance, operation, use, entrustment to others, or loading or unloading of any:

(1) Aircraft owned by you or rented, loaned or chartered by or on behalf of you without crew;

(2) "Unmanned aircraft";

(3) "Auto"; or

(4) Watercraft owned by you except watercraft while ashore on premises you own or rent.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision,

hiring, employment, training or monitoring of others by that insured.

b. **Contractual Liability**

Any liability for which any insured is obligated to pay damages by reason of the assumption of liability in any contract or agreement. This exclusion does not apply to liability for damages:

(1) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury", "personal injury", "advertising injury" or "property damage" occurs after the execution of the contract or agreement; or

(2) That any insured would have in the absence of the contract or agreement.

c. **Damage to "Your Product", "Your Work" or "Impaired Property"**

"Property damage" to:

(1) "Your product" arising out of it or any part of it; and

(2) "Your work" arising out of it or any part of it and included in the "products-completed operations hazard".

Paragraphs (1) and (2) above do not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

(3) "Impaired Property" or property that has not been physically injured, arising out of:

(a) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(b) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

d. **Directors and Officers**

Any liability or expense for a wrongful act, error, omission or breach of duty by an insured in the performance of the office of director, officer or trustee of an organization.

e. **Employers Liability**

Any injury to:

(1) Any "employee" of an insured arising out of and in the course of:



- (a) Employment by an insured; or
- (b) Performing duties related to the conduct of an insured's business; or
- (2) Any person as a consequence of paragraph (1) above.

This exclusion applies:

- (3) Whether an insured may be liable as an employer or in any other capacity; and
- (4) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by an insured under an "insured contract".

**f. Expected or Intended Injury**

"Bodily injury", "property damage", "personal injury" or "advertising injury" expected or intended from the standpoint of the insured.

This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

**g. Liquor Liability**

Any liability or expense for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person; or
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (4) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (5) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

**h. Maintenance, Prevention or Enhancement**

To any liability or expense incurred by an insured or any others for any:

- (1) maintenance or enhancement of any property; or
- (2) prevention of any injury or damage to any:
  - (a) person or organization; or
  - (b) property you own, rent or occupy.

**i. "Personal Injury" and "Advertising Injury"**

Any liability or expense for "personal injury" and "advertising injury":

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal injury" or "advertising injury";
- (2) Arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period;
- (4) Arising out of a criminal act committed by or at the direction of the insured;
- (5) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (6) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (7) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (8) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (9) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement" of copyright or slogan.

**(10) Arising out of:**

- (a)** The controlling, creating, designing or developing of another's internet site;
- (b)** The controlling, creating, designing, developing, determining or providing content or material of another's internet site;
- (c)** The controlling, facilitating or providing, or failing to control, facilitate or provide, access to the internet or another's internet site; or
- (d)** Publication of content or material on or from the internet, other than material developed by you or at your direction.

**(11)** Arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control;

**(12)** Arising out of the unauthorized use of another's name or product in your email address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**j. Pollution**

- (1)** "Bodily injury", "property damage", "personal injury" or "advertising injury" part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
- (2)** Any loss, cost or expense arising out of any:
  - (a)** Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b)** Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**k. Professional Liability**

Any liability or expense arising out of the rendering of or failure to render any professional or quasi-professional service (whether or not such service requires certification or licensing), advice or instruction by you or on your behalf, or from whom any of you assumed liability by reason of a contract or agreement, regardless of whether any such service, advice or instruction is ordinary to any insured's profession.

**l. Punitive Damages**

Any sum awarded for punitive damages, exemplary damages, multiplied damages, taxes, fines, or penalties.

**VIII. CONDITIONS**

Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

**1. Appeals**

We may elect to initiate or participate in an appeal of a judgment if such judgment could result in a payment under this insurance.

If we so elect, we shall be liable for all expenses we incur incidental to such appeal, but in no case will the amount we pay for loss exceed the Limits of Insurance.

**2. Bankruptcy**

The bankruptcy of any insured or insured's estate will not relieve us of our obligations under this policy.

In the event of bankruptcy or insolvency of the provider of any "underlying insurance", the insurance provided by this policy will not replace such "underlying insurance" and applies as though such "underlying insurance" was available and collectible.

**3. Cancellation and Non-Renewal**

- a.** The first Named Insured may cancel this policy by mailing or delivering to us, our authorized agent or broker, advance written notice of cancellation stating when the cancellation is to take effect.
- b.** We may cancel this policy or any of its individual coverages by mailing to the first Named Insured a written notice of cancellation at least:

- (1)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(2) 60 days before the effective date of cancellation if we cancel for any other reason.

- c. We will mail our notice to the first Named Insured's last mailing address known to us.
- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata.
- f. If we decide not to renew, we will mail to the first Named Insured written notice of non-renewal not less than sixty (60) days before the expiration date.
- g. Proof of mailing will be sufficient proof of notice.

#### 4. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured is authorized to make changes with our consent. This policy's terms can be amended or waived only by endorsement issued by us or made a part of this policy.

#### 5. Currency

All payments or reimbursements we make for damages because of judgments or settlements will be made in United States currency at the prevailing exchange rate at the time the insured became legally obligated to pay such sums.

#### 6. Duties in the Event of "Occurrence", Offense, Claim or "Suit"

- a. You must see to it that we are notified as soon as practicable of any "occurrence" or offense to which this insurance may apply. Notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature of any injury or damage arising out of the "occurrence" or offense.
- b. You will cooperate with the "underlying insurer" as required by the terms of their policies and comply with all terms and conditions of those policies.
- c. If a claim is made or "suit" is brought against any insured to which this

insurance may apply, you must see to it that we receive written notice of the claim or "suit" as soon as practicable.

d. You and any other involved insured must:

- (1) Send us copies as soon as practicable of any demands, notices, summonses or legal papers received in connection with the claim or "suit" to which this insurance may apply;
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit";
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which in our opinion may be liable to an insured because of injury or damage to which this insurance applies;
- (5) Notify us as soon as practicable of any judgment or settlement of any claim or "suit" brought against any insured; and
- (6) Not voluntarily make a payment, assume any obligation or incur any expense without our consent, except at that insured's own cost.

#### 7. Examination of Your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward. We have the right to make copies of those books and records.

#### 8. First Named Insured

The person or organization first named in Item 1. of the Declarations is responsible for the payment of all premiums, the receiving of return premiums, the receipt and acceptance of this policy and any endorsements, and will act on behalf of all other insureds for the giving and receiving of notice of cancellation or any other notice required under this policy or by statute or regulation.

#### 9. Inspections and Surveys

- a. We have the right but not the duty to:
  - (1) Make inspections and surveys at any time;
  - (2) Give you reports on the conditions we find; and
  - (3) Recommend changes.
- b. Any inspections, surveys, reports or recommendations relate only to

insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions:

- (1) Are safe or healthful; or
- (2) Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

#### 10. Joint Duties in Non-Admitted Jurisdictions

With respect to an "occurrence", offense, claim or "suit" that arises in a non-admitted jurisdiction and to which this insurance applies:

- a. If we are prevented by law in any country or jurisdiction from fulfilling our duty to defend you or to investigate claims, you will be responsible for arranging for the defense or investigation under our supervision. We will reimburse you for all reasonable and necessary expense incurred which we would have paid if we had defended the "suit" or investigated the claim; and
- b. If we are prevented by law in any country or jurisdiction from paying damages to which this insurance applies, you may pay the damages with our consent. Upon proof of the payments, we will reimburse you for such damages subject to the applicable Limit of Insurance.

#### 11. Legal Action Against Us

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial, but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the Limits of Insurance.

An agreed settlement means a settlement and release of liability signed by us, an insured

and the claimant or the claimant's legal representative.

#### 12. Maintenance of "underlying insurance"

- a. You agree to maintain the "underlying insurance" in full force and effect during the term of this policy. "underlying insurance" will not be cancelled, non-renewed or rescinded without replacement coverage to which we agree. You must notify us as soon as practicable if any "underlying insurance" is no longer valid or in full force and effect.
- b. The terms and conditions of "underlying insurance" will not materially change, unless we agree otherwise. The terms and conditions or renewals or replacements of "underlying insurance" will be materially the same as prior coverage unless we agree otherwise.
- c. The total applicable limits of "underlying insurance" shall not decrease, except for any reduction or exhaustion of aggregate limits by payment of loss. Reduction or exhaustion of any aggregate limit of liability or limit of insurance in any "underlying insurance" by payments for judgments, settlements or expense will not be a failure to maintain "underlying insurance" in full force and effect.
- d. No statement contained in this Condition limits our right to cancel or not renew this policy.
- e. Your failure to comply will not invalidate this policy, but this policy will apply as if the "underlying insurance" was so maintained.

#### 13. Other Insurance

- a. This insurance is excess over any "other insurance", whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically purchased as excess over this policy.
- b. We have no duty to defend the insured against any claim or "suit" if any other insurer has a duty to defend such insured against that claim or "suit".
- c. This insurance is not subject to the terms or conditions of any "other insurance".
- d. We will pay only our share of the amount of loss, if any, that exceeds the sum of the total:
  - (1) Amount that all "other insurance" would pay for loss in the absence of this insurance; and



- (2) Of all deductible and self-insurance amounts under all “other insurance”.

#### 14. Premium Audit

- a. We will compute all premiums for this policy in accordance with our rules, rates, rating plans, premiums and minimum premiums applicable to this insurance.
- b. If the premium for this policy is stated in the Declarations as being subject to adjustment, at the close of each audit period, we will compute the earned premium for that period using the rates and rating basis shown on the Declarations or as stated in an endorsement issued by us. Audit premiums are due and payable on notice to the first Named insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured, but not if such audit premium is less than the minimum premium shown in the Declarations.
- c. The first Named Insured must keep records of the information we need for premium computation and send us copies as we may request.

#### 15. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

If unintentionally you should fail to disclose all hazards at the inception of this policy, we shall not deny coverage under this policy because of such failure.

#### 16. Separation of Insureds

Except with respect to the Limits of Insurance and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or “suit” brought.

#### 17. Titles of Paragraphs

The titles of paragraphs in this policy are inserted solely for convenience or reference. Such titles do not limit, define or affect the provisions to which they relate.

#### 18. Transfer of Rights of Recovery Against Others to Us

If an insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. An insured must do nothing after loss to impair such rights. At our request, an insured will bring “suit” or transfer those rights to us and help us enforce them.

Any recoveries will be apportioned in the inverse order of payment of loss to the extent of actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of their respective recoveries.

#### 19. Transfer of Your Rights and Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent.

If you die, your rights and duties are transferred to your legal representative, but only while that legal representative is acting within the scope of their duties as such. Until your legal representative is appointed, anyone with proper temporary custody of your property will have your rights and duties but only with respect to that property.

### IX. DEFINITIONS

Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella**

1. **“Advertisement”** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purpose of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. **“Advertising Injury”** means injury, including consequential “bodily injury”, arising out of one or more of the following offenses:
  - a. The use of another’s advertising idea in your “advertisement”; or
  - b. Infringing upon another’s copyright or slogan in your “advertisement”.
3. **“Auto”** means:
  - a. A land motor vehicle, trailer or semi-trailer designed for travel on public roads,

including any attached machinery or equipment; or

- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

4. **"Bodily injury"** means bodily injury, sickness or disease sustained by a person including death resulting from any of these at any time. "Bodily injury" includes mental anguish or other mental injury resulting from "bodily injury".
5. **"Employee"** includes a "leased worker". "Employee" does not include a "temporary worker".
6. **"Executive Officer"** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. **"Impaired property"** means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of the contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.
8. **"Insured contract"** means:
  - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement;

- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume, the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
  - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
    - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
  - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in paragraph (2) above and supervisory, inspection or engineering activities.
9. **"Leased Worker"** means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
  10. **"Loading or Unloading"** means the handling of property:
    - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
    - b. While it is in or on an aircraft, watercraft or "auto"; or



- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**11. "Mobile Equipment"** means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, fork-lifts and other vehicles designed by use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shoves, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos".

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck

chassis and used to raise or lower workers; and

- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**12. "Nuclear Energy Hazard"**

Any liability or expense:

- a. With respect to which an insured under this policy is also an insured under a nuclear energy policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any other similar foreign or domestic authority of any jurisdiction, or their successors, or would be an insured under any such policy of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- b. Resulting from the hazardous properties of nuclear material and with respect to which:
  - (1) Any person or entity is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, of any law amendatory thereof or of any similar law or regulation of any other foreign or domestic authority or jurisdiction; or
  - (2) Any insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America or any other foreign or domestic governmental entity or any agency thereof, under any agreement entered into by the United States of America, any other foreign or domestic governmental body or any agency thereof, with any person or organization.
- c. To "bodily injury" or "property damage" resulting from the hazardous properties of nuclear material, if:
  - (1) The nuclear material:

- (a) Is at any nuclear facility owned by or operated by or on behalf of an insured or,
- (b) Has been discharged or dispersed there from.
- (2) The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
- (3) The “bodily injury” or “property damage” arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this paragraph c. applies only to “Property Damage” to such nuclear facility and any property thereat.

As used in this definition:

“Hazardous properties” include radioactive, toxic or explosive properties.

“Nuclear material” means source material, special nuclear material, or by-products material.

“Source material”, “special nuclear material”, and “by-product material” have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

“Spent fuel” means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor.

“Waste” means any waste material:

- (1) Containing by-product material other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content.
- (2) Resulting from the operation by any person or organization of any nuclear facility included under the first two paragraphs of the definition of nuclear facility.

“Nuclear facility” means:

- (1) Any nuclear reactor; or
- (2) Any equipment or device designated or used for:
  - (a) Separating the isotopes of uranium or plutonium; or

- (b) Processing or utilizing spent fuel; or
- (c) Handling, processing or packaging nuclear waste; or
- (3) Any equipment or device used for processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of an insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
- (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste; and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

“Nuclear reactor” means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

“Property damage” includes all forms of radioactive contamination of property.

- 13. “**Occurrence**” means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 14. “**Other Insurance**” means any insurance that may provide coverage to any insured which this policy would also provide, and includes any type of self-insurance or other mechanism arranged for funding of loss. “Other insurance” does not include “underlying insurance” or insurance specifically purchased as excess over this policy.
- 15. “**Personal Injury**” means injury, including consequential “bodily injury”, arising out of one or more of the following offenses:
  - a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

**16. "Pollutants"** mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**17. "Products-Completed Operations Hazard"**

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
  - (1) Products that are still in your physical possession; or
  - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
    - (a) When all of the work called for in your contract has been completed.
    - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
    - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:
  - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
  - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
  - (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed

operations are subject to the General Aggregate Limit.

**18. "Property Damage" means:**

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

**19. "Retained Limit" means the amount stated as such in the Declarations for which the insured is responsible with respect to each "occurrence" under Coverage B – Umbrella Liability.**

**20. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" also includes:**

- a. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

**21. "Temporary Worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.**

**22. "Underlying insurance" means the liability insurance coverage provided under policies shown in the Schedule of Underlying Insurance for the limits and policy periods indicated. It includes any policies issued to replace those policies during the term of this insurance that provide:**

- a. At least the same limits of liability or limits of insurance; and
- b. The same hazards insured against, except as modified by general program revisions or as agreed to by us in writing.

**23. "Underlying Insurer" means any insurer who issues a policy of "underlying insurance".**

**24. "Unmanned aircraft" means an aircraft that is not:**

- a. Designed;

- b. Manufactured; or
  - c. Modified after manufacture;
- to be controlled directly by a person from within or on the aircraft.

**25. "War" means:**

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**26. "Your Product"**

- a. Means:
  - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
    - (a) You;
    - (b) Others trading under your name; or
    - (c) A person or organization whose business or assets you have acquired; and

- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
  - (2) The providing of or failure to provide warnings or instructions.
- c. Does not include** vending machines or other property rented to or located for the use of others but not sold.

**27. "Your Work"**

**a. Means:**

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – PROFESSIONAL LIABILITY  
(COVERAGE A)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph **2**. Applicable to **Coverage A – Follow Form Excess Liability** only:

This insurance does not apply to:

**Professional Services**

Any liability or expense arising out of the rendering of or failure to render any professional service, advice or instruction by you or on your behalf, or from whom any of you assumed liability by reason of a contract or agreement, regardless of whether any such service, advice or instruction is ordinary to any insured's profession.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ILLINOIS CHANGES

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

**A.** The term "spouse", wherever found within this policy, is replaced by the following:

Spouse or party to a civil union recognized under Illinois law.

**B.** The following is added to section **II. DEFENSE AND SETTLEMENT**, paragraph **1. Coverage A – Follow Form Excess Liability Defense and Settlement**, and paragraph **2. Coverage B – Umbrella Liability Defense and Settlement**:

1. The provisions of paragraph **2.** Below are added to all Insuring Agreements that set forth a duty to defend. Paragraph **2.** also applies to any other provision in the policy that sets forth a duty to defend.

2. If we initially defend an insured ("insured") or pay for an insured's ("insured's") defense but later determine that the claim(s) is (are) not covered under this insurance, we will have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement for the defense costs under this provision will only apply to defense costs we have incurred after we notify such insured ("insured") in writing that there may not be coverage, and that we are reserving our rights to terminate the defense and seek reimbursement for defense costs.

**C.** Section **VII. EXCLUSIONS**, paragraph **3.** Applicable to **Coverage B – Umbrella Liability** only, subparagraph **I. Punitive Damages** is replaced by the following:

**I. Punitive Damages**

Any sum awarded for punitive damages, exemplary damages, multiplied damages, taxes, fines or penalties.

Should "suit" be brought against an insured for which coverage is provided herein and such "suit" seek both compensatory and punitive or exemplary damages, then we will afford a defense to such "suit" without liability, however, for such punitive or exemplary damages.

**D.** Section **VIII CONDITIONS**, paragraph **3. Cancellation and Non-Renewal** is replaced by the following:

**3. Cancellation and Non-Renewal**

**a** The first Named Insured shown in the Declarations may cancel this policy by mailing to us advance written notice of cancellation.

**b.** We may cancel this policy by mailing to you, written notice stating the reason for cancellation. If we cancel:

(1) For nonpayment of premium, we will mail the notice at least 10 days prior to the effective date of cancellation.

(2) For a reason other than nonpayment of premium, we will mail the notice at least:

(a) 30 days prior to the effective date of cancellation if the policy has been in effect for 60 days or less.

(b) 60 days prior to the effective date of cancellation if the policy has been in effect for more than 60 days.

**c.** If this policy has been in effect for more than 60 days or is a renewal or continuation policy, we may cancel only for one or more of the following reasons:

(1) Nonpayment of premium;

(2) The policy was obtained through a material misrepresentation;

(3) Any insured has violated any of the terms and conditions of the policy;

(4) The risk originally accepted has measurably increased;

(5) Certification to the Director of Insurance of the loss of reinsurance by the insurer that provided coverage to us for all or a substantial part of the underlying risk insured; or

(6) A determination by the Director of Insurance that the continuation of the policy could place us in violation of the insurance laws of this State.



- d. We will mail our notice to you, at your last mailing address known to us. Proof of mailing will be sufficient proof of notice.
- e. Notification of cancellation will also be sent to your broker, if known, or agent of record, if known.
- f. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- g. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be less than pro rata. The cancellation will be effective even if we have not offered a refund.
- h. If we decide not to renew or continue this policy, we will mail you written notice, stating the reason for nonrenewal, at least:
  - (1) 60 days before the end of the policy period for all policies other than those described in **f.(2)**; or
  - (2) 30 days before the end of the policy period for all commercial excess and umbrella liability policies as defined in 215 ILL. COMP. STAT. 143.13.(h). The nonrenewal shall not become effective until at least 30 days from the proof of mailing date of the notice to you.
- b. Proof of mailing will be sufficient proof of notice.
- c. Notification of nonrenewal will also be sent to your broker, if known, or agent of record, if known.
- i. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
- j. If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.
- k. We will mail cancellation and nonrenewal notices to you, and the agent or broker, at the last addresses known to us. Proof of mailing will be sufficient proof of notice.

For the purposes of Paragraph **f.(2)**, commercial excess and umbrella liability policies are defined in 215 ILL. COMP. STAT. 143.13.(h) as follows:

- (h) "Commercial excess and umbrella liability policy" means a policy written over one or more underlying policies for an insured:
  - (1) that has at least 25 full-time employees at the time the commercial excess and umbrella liability policy is written and procures the insurance of any risk or risks, other than life, accident and health, and annuity contracts, as described in clauses (a) and (b) of Class 1 of Section 4 and clause (a) of Class 2 of Section 4, by use of the services of a full-time employee acting as an insurance manager or buyer; or
  - (2) whose aggregate annual premiums for all property and casualty insurance on all risks is at least \$50,000.

**E. The following is added to section VIII. CONDITIONS:**

**Right to Claim Information**

- a. If required by applicable law or regulation, and subject to paragraph e. below, we will provide the first Named Insured shown in the Declarations, within thirty (30) days of the insured's written request or at the same time as any notice of cancellation or nonrenewal, the following information relating to this and any preceding claims-made insurance we have issued to you during the previous three years:
  - (1) Information concerning closed claims limited to the date and description of claims, total amount of payments and total reserves, if any; and
  - (2) Information concerning open claims limited to the date and description of claims, total amount of payments and total reserves, in any; and
  - (3) Information concerning claims not included in subparagraphs (1) and (2) above limited to the date and description of claims and total reserves, if any.
- b. Subject to paragraph e. below, we will provide the first Named Insured shown in the Declarations, within twenty (20) days after receipt of written request by the Named Insured, detailed claims information in addition to that provided under paragraph a. above, including specific reserve amounts.
- c. Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values. You must not disclose this information to any claimant or claimant's representative without our consent.
- d. We compile claim information for our own business purposes and exercise reasonable

care in doing so. In providing this information to the first Named Insured we make no representations or warranties.

- e. We will not provide the information included in paragraphs **a.** and **b.** above if this policy has been cancelled for nonpayment or premium, material misrepresentations or fraud on the part of the insured.

Cancellation or nonrenewal will be effective even if we inadvertently fail to provide this information, or provide inaccurate or incomplete information.

- F. The following is added to any **Extended Reporting Period**:

The percentage in the table relating to length of Extended Reporting Period will be applied to the expiring annual premium.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – LEAD (COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

### **Lead**

Any liability or expense arising out of any actual or alleged presence of or exposure to lead including but not limited to:

- (1) Inhaling, ingesting or prolonged physical exposure by any person to any premises, structure, goods or products containing lead;
- (2) The use of lead in constructing or manufacturing any good, product or structure;

- (3) Intentional or accidental removal including encapsulation, dispersal, sealing or disposal of any good, product or structure containing lead;
- (4) The manufacturing, transportation, storage or disposal of goods or products containing lead;
- (5) Any product manufactured, sold, handled or distributed by or on behalf of the insured which contains lead; or
- (6) Acts or omissions of the insured in connection with the general supervision of any job involving the removal, enclosure, encapsulation, dispersal, sealing, or disposal of products or materials containing lead.

General supervision includes the rendering of or failure to render any instructions, recommendations, warnings, or advice.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A.** The following exclusion is added to section **VII. EXCLUSIONS**, paragraph **1**. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

### **Terrorism Punitive Damages**

Damages arising, directly or indirectly, out of a "certified act of terrorism" which are awarded as punitive damages.

- B.** For the purpose of this endorsement, the following definition is added to section **IX. DEFINITIONS**:

**"Certified act of terrorism"** means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Insurance Act, to be an act of terrorism pursuant such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

- a.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  - b.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – FUNGI OR BACTERIA LIABILITY (COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

### **Fungi or Bacteria**

Any liability or expense arising out of “fungi” or bacteria which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any “fungi” or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product

contributed concurrently or in any sequence to such injury or damage.

- (1) This exclusion also applies to any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, “fungi” or bacteria, by you or by any other person or entity.
- (2) For the purposes of this exclusion, “fungi” means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by “fungi”.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – SILICA (COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

**“Silica” or “Silica-Related Dust”**

Any liability or expense arising out of any actual, alleged, threatened or suspected:

- (1) Inhalation of, or ingestion of, “silica” or “silica-related dust”;
- (2) Threatened or suspected contact with, exposure to, existence of, or presence of, “silica” or “silica-related dust”; or

- (3) Any loss cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, “silica” or “silica-related dust”, by any insured or by any other person or entity.

For the purpose of this exclusion, the following definitions are added:

**“Silica”** means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.

**“Silica-related dust”** means a mixture or combination of silica and other dust or particles.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – TOTAL POLLUTION WITH HOSTILE FIRE EXCEPTION (COVERAGE A)

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A. Section VII. EXCLUSIONS, paragraph 2.**  
Applicable to **Coverage A – Follow Form Excess**  
Only, subparagraph a. is replaced by the following:

This insurance does not apply to:

**a. Pollution**

- (1) Any liability or expense which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release, or escape of “pollutants” at any time.
- (a) This exclusion does not apply to “bodily injury” or “property damage” arising out of heat, smoke or fumes from a “hostile fire” unless that “hostile fire” occurred or originated:
  - (i) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or
  - (ii) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured’s behalf are performing operations to test for,

monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to, or assess the effects of “pollutants”;

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, “pollutants”; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way respond to, or assess the effects of “pollutants”.

- B. For the purpose of this exclusion, the following definition is added to section IX DEFINITIONS:**

**“Hostile fire”** means one which becomes uncontrollable or breaks out from where it was intended to be.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ILLINOIS EXCLUSION – ABUSE AND MOLESTATION  
(COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

**Abuse and Molestation**

Any liability or expense arising out of the actual or threatened abuse or molestation by anyone of any person regardless whether the abuse or molestation was specifically intended or resulted from negligent conduct and regardless whether any insured subjectively intended the injury or damage for which a claim is made.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – DISCRIMINATION (COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

### **Discrimination**

Any liability or expense arising out of discrimination or humiliation based upon, but not limited to:

- |                         |   |
|-------------------------|---|
| (1) Age;                | (5) Race;   |
| (2) Gender;             | (6) Nationality;  |
| (3) Sexual orientation; | (7) National origin;  |
| (4) Marital Status;     | (8) Religion;   |
|                         | (9) Creed;  |
|                         | (10) Mental capabilities or condition;  |
|                         | (11) Physical capabilities, characteristics or condition;<br>or   |
|                         | (12) Any violation of a local, state, federal or foreign<br>law or regulation relating to discrimination. |

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – EMPLOYEE BENEFITS LIABILITY (COVERAGE B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A.** The following is added to section **VII. EXCLUSIONS**, paragraph **3**. Applicable to **Coverage B – Umbrella Liability** only:

This insurance does not apply to:

**Employee Benefits Liability**

Any liability or expense arising out of the “administration” of an “insured’s employee benefit program”.

- B.** For the purposes of this endorsement, the following definitions are added to section **IX. DEFINITIONS**:

“**Administration**” means:

- a.** Giving counsel to employees with respect to “employee benefit programs”;

- b.** Interpreting “employee benefit programs”;

- c.** Handling of records in connection with “employee benefits programs”; and

- d.** Effecting enrollment of employees under “employee benefit programs”.

“**Employee benefit program**” means life insurance, accident or health insurance, pension plans, workers’ compensation, unemployment insurance, social security and disability benefits, investment programs, loan or financial assistance programs, and any other similar benefit program.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

UHC D713545 00  
1309516  
Original Insured

SUPERIOR KNIFE LLC

1225 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007

SUPERIOR KNIFE LLC  
1225 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007

SUPERIOR KNIFE LLC

1225 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007

THIS NOTICE IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT, AS AMENDED. THIS NOTICE DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THIS POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

## NOTICE – ACCEPTANCE OF TERRORISM COVERAGE AND DISCLOSURE OF PREMIUM

### Schedule

<b>Disclosure of Premium:</b>	
Total Terrorism Premium	\$ 75
Fire Following Premium	\$
Other than Fire Following Premium	\$

Coverage for “acts of terrorism,” as defined in Section 102(1) of the Terrorism Risk Insurance Act (“Act”) is included in your policy. You are hereby notified that under the Act, as amended in 2015, the definition of “act of terrorism” is:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States’ government by coercion.

### Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

### Cap on Insurer Participation in Payment of Terrorism Losses

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers’ liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.



THIS NOTICE IS PROVIDED IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS NOTICE DOES NOT GRANT COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF COVERAGE UNDER THE POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

### Schedule

<b>Disclosure of Premium:</b>	
Total Terrorism Premium	\$ 75
Fire Following Premium	\$
Other than Fire Following Premium	\$

### Disclosure of Terrorism Coverage Available

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from "acts of terrorism" defined in Section 102(1) of the Act as follows:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

The premium charged for this coverage is provided in the Schedule above and does not include any charges for the portion of loss that may be covered by the Federal Government as described below.

Your policy may contain other exclusions which could affect your coverage, such as an exclusion for Nuclear Events or Pollution. **Please read your policy carefully.**

### Note for Commercial Property or Commercial Inland Marine Policyholders in Standard Fire States:

In your state, a terrorism exclusion makes an exception for (and therefore provides coverage for) fire losses resulting from an act of terrorism. If you reject the offer of terrorism coverage, therefore, that rejection does not apply to fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy. The additional premium just for such fire coverage is shown in the Schedule above.

### Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

**Cap on Insurer Participation in Payment of Terrorism Losses**

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers' liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**Rejection of Terrorism Insurance Coverage**

☐ I decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

\_\_\_\_\_  
Applicant/Policyholder Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Hanover Insurance Company

\_\_\_\_\_  
Insurance Company

\_\_\_\_\_  
UHC D713545 00

\_\_\_\_\_  
Quote or Policy Number



NEW BUSINESS POLICY

**COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY**

THESE DECLARATIONS, TOGETHER WITH THE COVERAGE FORM(S) AND ANY ENDORSEMENT(S),  
COMPLETE THE BELOW NUMBERED POLICY.

POLICY NUMBER: UHC D713545 00  
COMPANY: Hanover Insurance Company

**DECLARATIONS****Item 1. Named Insured and Address**

(No., Street, Town, County, State)

**Agent**

SUPERIOR KNIFE LLC  
1225 ARTHUR AVE  
ELK GROVE VILLAGE IL 60007

1309516  
ACRISURE, LLC  
DBA WINE SERGI INS. GROUP  
1000 E WARRENVILLE RD #101  
NAPERVILLE IL 60563

**Item 2. Policy Period:** (Month, Day, Year)

From 10/01/2018 To 10/01/2019

12:01 A. M., standard time at the address of the Named Insured as stated herein.

**Form of Business:**

- ☐ Individual      ☐ Partnership      ☐ Corporation      ☒ Limited Liability Company  
☐ Organization (Other than Partnership, Joint Venture or Limited Liability Company)

**Business Description: Knife Sharpening Company**

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY. THIS PREMIUM MAY BE SUBJECT TO AUDIT.

**Item 3. Limit of Insurance**

<b>Each Occurrence or Each Claim Limit:</b>	\$2,000,000
<b>Products – Completed Operations Aggregate Limit:</b>	\$2,000,000
<b>General Aggregate Limit</b>	\$2,000,000

<b>Retained Limit:</b>	\$0
------------------------	-----

**Item 4. Premium Computation:**

<b>Estimated Annual Premium</b>	\$3,242.00
<b>Premium Surcharges</b>	\$
<b>(Premium Surcharges NOT APPLICABLE in New York)</b>	
<b>Annual Minimum Premium</b>	\$3,242.00
<b>Advance Premium</b>	\$3,242.00

**Endorsements:**

See next page



- ☐ PREPAID - the total annual premium is due at inception.  
☐ HANOCASH - the annual premium is payable according to the term of the Hanocash endorsement attached.  
☐ ACCOUNT BILL    ☒ DIRECT BILL    ☐ Annual    ☐ Semi-Annual    ☐ Other

Audit period: Non Auditable Unless indicated by    ☐ Annual    ☐ Semi-Annual    ☐ Other

If you cancel this policy, we shall receive and retain not less than NIL as a policy minimum premium.

**Forms Applicable To This Policy:**

<b><u>Form Number</u></b>	<b><u>Form Edition</u></b>	<b><u>Description</u></b>
331-0053	08/16	Illinois Inquiry Notice
401-1127	01/15	Notice - Acceptance Of Terrorism Coverage and Disclosure Of Premium
401-1337	02/16	Trade Or Economic Sanctions Endorsement
401-1374	01/15	Offer Disclosure Pursuant To Terrorism Risk Insurance Act
401-1377	12/14	Company Address Listing
401-1379	12/14	Illinois Inquiry Notice
475-0001	01/18	Hanover Commercial Follow Form Excess And Umbrella Policy
475-0031	12/14	Exclusion - Professional Liability (Coverage A)
475-0038	08/18	Illinois Changes
475-0057	12/14	Exclusion - Lead (Coverage A and B)
475-0066	01/15	Cap on Losses From Certified Acts of Terrorism
475-0070	01/15	Exclusion of Punitive Damages Related To A Certified Act Of Terrorism
475-0080	12/14	Exclusion - Fungi Or Bacteria Liability (Coverage A and B)
475-0084	12/14	Exclusion - Silica (Coverage A and B)
475-0092	12/14	Exclusion - Total Pollution With Hostile Fire Exception (Coverage A)
475-0100	12/14	Illinois Exclusion - Abuse and Molestation (Coverage A and B)
475-0215	12/14	Exclusion - Discrimination (Coverage A and B)
475-0351	12/14	Exclusion - Employee Benefits Liability (Coverage B)
SIG 11 00	11/17	Signature Page



## SCHEDULE OF UNDERLYING POLICIES

**Insured:** SUPERIOR KNIFE LLC

**Effective on and after** 10/01/2018 12:01 A.M. Standard Time

**This Schedule is part of Policy Number:** UHC D713545 00

CARRIER, POLICY NUMBER & PERIOD	TYPE OF POLICY	APPLICABLE LIMITS OR AMOUNT OF INSURANCE	
(a) Carrier: CITIZENS INSURANCE COMPANY OF ILLINOIS Policy Number: ZCC D713544 00 Policy Period: 10/01/2018 TO 10/01/2019	Commercial General Liability	\$1,000,000	Occurrence/ Each Claim
	<input type="checkbox"/> Owned Autos	\$1,000,000	Personal Injury
	<input type="checkbox"/> Non-owned & Hired Autos	\$1,000,000	Advertising Injury
		\$2,000,000	General Aggregate
		\$2,000,000	Product/Completed Operations Aggregate
(b) Carrier: ALLMERICA FINANCIAL BENEFITS  Policy Number: AWC D713201 00 Policy Period: 10/01/2018 TO 10/01/2019	Comprehensive Automobile Liability including	Bodily Injury and Property Damage Liability Combined:	
	<input checked="" type="checkbox"/> Owned Autos	\$1,000,000	Each Accident
	<input checked="" type="checkbox"/> Non-Owned & Hired Autos	Bodily Injury	
		\$	Each Person
		\$	Each Accident
(c) Carrier:  Policy Number: Policy Period:	Garage Liability	Bodily Injury and Property Damage Liability Combined:	
	<input type="checkbox"/> Dealers		Each Accident
	<input type="checkbox"/> Service	Garage Operations	
		\$	Auto Only
		\$	Other than Auto Only
(d) Carrier: CITIZENS INSURANCE COMPANY OF ILLINOIS Policy Number: WCC D689285 00 Policy Period: 10/01/2018 TO 10/01/2019	Standard Workers' Compensation & Employers' Liability	<b>Coverage B – Employers Liability</b>	
		Bodily Injury by Accident	
		\$500,000	Each Accident
		Bodily Injury by Disease	
		\$500,000	Each Employee
	<b>NEW YORK ONLY:</b> The Umbrella Coverage for Workers' Compensation and Employers Liability is not applicable in situations where an employee is subject to the New York Workers' Compensation Law.	\$500,000	Aggregate

An "X" marked in the box provided indicates these broadening or optional coverage are provided in the Underlying Insurance





(e) Carrier: Policy Number: Policy Period:	Liquor Liability	\$ \$ \$ \$	Each Common Cause Other Aggregate Other
(f) Carrier: Policy Number: Policy Period:	Professional Liability	\$ \$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate Other
(g) Carrier: Policy Number: Policy Period:	Directors & Officers Liability	\$ \$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate Other
(h) Carrier: Policy Number: Policy Period:	Stop Gap Liability	Bodily Injury by Accident \$ Bodily Injury by Disease \$ \$	Each Accident Each Employee Aggregate
(i) Carrier: Policy Number: Policy Period:	Abuse and Molestation	\$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate
(j) Carrier: Policy Number: Policy Period:	Foreign	\$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate
(k) Carrier: CITIZENS INSURANCE COMPANY OF ILLINOIS Policy Number: ZCC D713544 00 Policy Period: 10/01/2018 TO 10/01/2019	Employee Benefits Liability	\$ \$1,000,000 \$ \$3,000,000	Each Occurrence Each Claim Other Aggregate
(l) Carrier: Policy Number: Policy Period:	Other	\$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate

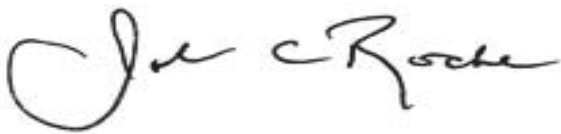
An "X" marked in the box provided indicates these broadening or optional coverage are provided in the Underlying Insurance

Countersigned By: \_\_\_\_\_  
Authorized Representative of the Company

Date: \_\_\_\_\_

THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

**In Witness Whereof**, this company has caused this policy to be signed by its President and Secretary and countersigned on the declarations page, where required, by a duly authorized agent of the company.

A handwritten signature in black ink, appearing to read "John C. Roche". The signature is fluid and cursive, with the first name "John" being more prominent.

John C. Roche  
President

A handwritten signature in black ink, appearing to read "Charles F. Cronin". The signature is cursive, with the first name "Charles" being more prominent.

Charles Frederick Cronin  
Secretary

## **ILLINOIS INQUIRY NOTICE**

In accordance with Illinois statute 215 ILCS 5/143c, the following information is provided:

This notice is to advise you that should any complaints arise regarding this insurance, you may contact the following:

The Hanover Insurance Company, Massachusetts Bay Insurance Company, Citizens Insurance Company of America, Citizens Insurance Company of Midwest, Citizens Insurance Company of Illinois, Allmerica Financial Benefit Insurance Company, Allmerica Financial Alliance Insurance Company and The Hanover American Insurance Company, complaint department for policies written through agencies located in the state of Illinois is:

**Complaint Department  
The Hanover Insurance Group  
333 W. Pierce Road  
Suite 300  
Itasca, Illinois 60143  
1-800-685-5669**

The address of the Consumer Division or Public Services Section of the Illinois Department of Insurance is:

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
320 W. Washington Street  
Springfield, Illinois 62767  
Or**

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
122 S Michigan Ave 19<sup>th</sup> Floor  
Chicago, IL 60603  
1-312-814-2420**

**Or**

**<http://insurance.illinois.gov>**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **TRADE OR ECONOMIC SANCTIONS ENDORSEMENT**

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

## IMPORTANT INFORMATION ABOUT YOUR INSURANCE COMPANY

The Home Office address for the Insurance Company shown on the policy Declarations page is:

**Allmerica Financial Alliance Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**The Hanover American Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Allmerica Financial Benefit Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**The Hanover Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Campmed Casualty & Indemnity Company, Inc.**  
(A Stock Company)  
12100 Sunset Hills Road, Suite 300  
Reston, VA 20190-3295

**Hanover Lloyds Insurance Company**  
(A Texas Lloyd's Plan Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of America**  
(A Stock Company)  
808 North Highlander Way  
Howell, MI 48843-1070

**Massachusetts Bay Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of Illinois**  
(A Stock Company)  
333 West Pierce Road, Suite 300  
Itasca, IL 60143-3114

**The Hanover New Jersey Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of the Midwest**  
(A Stock Company)  
9229 Delegates Row, Suite 100  
Indianapolis, IN 46240-3824

**Verlan Fire Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of Ohio**  
(A Stock Company)  
1300 East 9th Street, Suite 1010  
Cleveland, OH 44114-1506

## **ILLINOIS INQUIRY NOTICE**

In accordance with Illinois statute 215 ILCS 5/143c and 50 IL Adm. Code 753, the following information is provided:

Hanover Insurance Company is a stock company with a corporate office at 440 Lincoln Street, Worcester, MA 01653.

This notice is to advise you that should any complaints arise regarding this insurance, you may contact the following:

The Hanover Insurance Company, Massachusetts Bay Insurance Company, Citizens Insurance Company of America, Citizens Insurance Company of Illinois and Allmerica Financial Benefit Insurance Company, complaint department for policies written through agencies located in the state of Illinois is:

**Complaint Department  
The Hanover Insurance Group  
333 W. Pierce Road Suite 300  
Itasca, Illinois 60143  
1-800-685-5669**

The address of the Consumer Division or Public Services Section of the Illinois Department of Insurance is:

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
320 W. Washington Street  
Springfield, Illinois 62767  
866-445-5364**



# HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

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## HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

Various provisions of this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

We will not pay sums or perform acts or services unless explicitly provided for in this policy.

Throughout this policy the words **you** and **your** refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy. The words **we**, **us** and **our** refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to the Definitions Section of this policy.

### I. INSURING AGREEMENTS

#### 1. Coverage A – Follow Form Excess Liability Insuring Agreement

- a. We will pay on behalf of the insured those sums in excess of the “underlying insurance” which the insured becomes legally obligated to pay as damages, provided:

- (1) Such damages are covered by “underlying insurance”;
- (2) The event which triggers coverage on the “underlying insurance” takes place during the policy period of this insurance, and
- (3) The applicable Limit of Insurance of the “underlying insurance” is exhausted by payment of judgments, settlements, related costs or expenses for damages also covered under this policy. We will not pay if the Limit of Insurance of “underlying insurance” is exhausted by payment for damages to which this insurance does not also apply.

- b. We will not pay damages that the “underlying insurance” does not pay for any reason other than exhaustion of limits of the “underlying insurance” by payment of judgments, settlements, related costs or expenses.

- c. The terms and conditions of the “underlying insurance” in effect at the inception of this policy apply unless they are inconsistent with the terms and conditions of this policy.

- d. The amount we will pay for damages is limited as described in section **VI. LIMITS OF INSURANCE**.

- e. We have no obligation under this insurance with respect to any claim or “suit” settled without our consent.

- f. This policy does not apply to any part of loss within the Limit of Insurance of “underlying insurance”, or any related costs or expenses.

- g. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under section

### II. DEFENSE AND SETTLEMENT AND SECTION V. SUPPLEMENTAL PAYMENTS.

#### 2. Coverage B – Umbrella Liability Insuring Agreement

- a. We will pay on behalf of the insured those sums in excess of the “retained limit” shown in the Declarations which the insured becomes legally obligated to pay as damages because of “bodily injury”, “property damage”, “personal injury” and “advertising injury” to which this coverage applies, provided:

- (1) The:

- (a) “Bodily injury” or “property damage” is caused by an “occurrence”; or
- (b) “Personal injury” and “advertising injury” is caused by an offense arising out of your business;

Which took place within the coverage territory as described in section **IV. COVERAGE TERRITORY**;

- (2) The “bodily injury” or “property damage” occurs during the policy period, and the offense causing “personal injury” or “advertising injury” is first committed during our policy period; and

- (3) Prior to the policy period, no insured and no “employee” authorized by you to give or receive notice of an “occurrence”, offense or claim, knew that the “bodily injury”, “property damage”, “personal injury” or “advertising injury” had occurred, in whole or in part. If such an insured or authorized “employee” knew, prior to the policy period, that the “bodily injury”, “property damage”, “personal injury” or “advertising injury” occurred, then any continuation, change or resumption of such “bodily injury”, “property damage”, “personal injury” or “advertising injury” during or after the policy period will be deemed to have been known prior to the policy period.

However, “bodily injury”, “property damage”, “personal injury” or “advertising injury” which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured or by any “employee” authorized by you to give or receive notice of an “occurrence”, offense or claim, includes any continuation, change or resumption of that “bodily injury”, “property damage”, “personal injury” or “advertising injury” after the end of the policy period.

- b. “Bodily injury”, “property damage”, “personal injury” or “advertising injury” will be deemed to have been known to have occurred at the earliest time when any insured, or any “employee” authorized by you to give or receive notice of an “occurrence”, offense or claim:
- (1) Reports all or any part of the “bodily injury”, “property damage”, “personal injury” or “advertising injury” to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the “bodily injury”, “property damage”, “personal injury” or “advertising injury”; or
  - (3) Becomes aware by any other means that “bodily injury”, “property damage”, “personal injury” or “advertising injury” has occurred or has begun to occur.
- c. **Coverage B – Umbrella Liability Insuring Agreement** does not apply to:
- (1) Any claim or “suit” which is covered by “underlying insurance” regardless of

whether or not the “underlying insurance” is available or the limits have been exhausted;

- (2) Any claim or “suit” covered by **Coverage A – Follow Form Excess Liability Insurance** of this policy; or

- (3) Any costs or expenses related to loss as described by c.(1) or c.(2) above.

- d. The amount we will pay for damages is limited as described in section **VI. LIMITS OF INSURANCE**.

- e. We have no obligation under this insurance with respect to any claim or “suit” settled without our consent.

- f. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under section **II. DEFENSE AND SETTLEMENT** and section **V. SUPPLEMENTARY PAYMENTS**.

## II. DEFENSE AND SETTLEMENT

### 1. Coverage A – Follow Form Excess Liability Defense and Settlement:

- a. We have the right and duty to defend the insured against any “suit” seeking damages to which this insurance applies. If the “underlying insurer” defends a “suit” even if such “suit” is groundless, false or fraudulent, we will also defend such a “suit”. We have no duty to defend any person or organization against any claim or “suit”:
  - (1) To which this insurance does not apply; or
  - (2) If any other insurer has a duty to defend.
- b. Where we have the duty to defend, we may, at our discretion, investigate any occurrence or offense and settle any claim or “suit”.
- c. Where we have no duty to defend, we have the right to participate in the investigation and settlement of any claim, and defense of any “suit”, that we feel may create liability on our part under the terms and conditions of this policy. If we exercise this right, we will do so at our own expense.
- d. Our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements. However, if the Limits of Insurance of any “underlying insurance” are reduced by defense or claim expense

under the terms of that policy, then our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments, settlements, and defense or claim expense as defined in the “underlying insurance”.

**2. Coverage B – Umbrella Liability Defense and Settlement:**

- a. We have the right and duty to defend the insured against any “suit” because of “bodily injury”, “property damage”, “personal injury” or “advertising injury” to which this insurance applies, even if such “suit” is groundless, false or fraudulent. We have no duty to defend any person or organization against any claim or “suit”:
  - (1) To which this insurance does not apply; or
  - (2) If any other insurer has a duty to defend.
- b. Where we have the duty to defend, we may, at our discretion, investigate any “occurrence” or offense and settle any claim or “suit”.
- c. Where we have no duty to defend, we have the right to participate in the investigation and settlement of any claim, and defense of any “suit”, that we feel may create liability on our part under the terms and conditions of this policy. If we exercise this right, we will do so at our own expense.
- d. Our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements. However, if the Limits of Insurance of any “underlying insurance” are reduced by defense or claim expense under the terms of that policy, then our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments, settlements, and defense or claim expense as defined in the “underlying insurance”.

**III. WHO IS AN INSURED**

**1. Coverage A – Follow Form Excess Liability Who Is An Insured:**

The following persons or organizations qualify as an insured:

- a. The named insured stated in Item 1 of the Declarations; and
- b. Any other person or organization qualifying as an insured under the “underlying insurance” but not beyond the

extent of any limitation imposed under any contract or agreement.

If coverage provided to an Additional Insured is required by contract or agreement, the most we will pay on behalf of the Additional Insured is the amount of insurance required by the contract, less any amounts payable by “underlying insurance”.

Additional Insured coverage provided by this insurance will not be broader than coverage provided by the “underlying insurance”. The inclusion of Additional Insureds does not increase the Limit of Insurance.

**2. Coverage B – Umbrella Liability Who Is An Insured:**

- a. If you are designated in the Declarations as:
  - (1) An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - (2) A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - (3) A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - (4) An organization other than a partnership, joint venture or limited liability company, you are an insured. Your “executive officers” and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - (5) A trust, you are an insured. Your trustees are also insureds, but only with respect their duties as trustees.
- b. Each of the following is also an insured:
  - (1) Your “volunteer workers” only while performing duties related to the conduct of your business, or your “employees”, other than your “executive officers” (if you are an organization other than a partnership, joint venture or limited liability

company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these “employees” or “volunteer workers” is an insured for:

- (a) “Bodily injury”, “personal injury” or “advertising injury”:
  - (i) To you, to your partners or members (if you are a partnership or joint venture), to a co-“employee” while in the course of his or her employment or performing duties related to the conduct of your business, or to your other “volunteer workers” while performing duties related to the conduct of your business;
  - (ii) To the spouse, child, parent, brother or sister of the “employee” or “volunteer worker” as a consequence of paragraph (a)(1) above;
  - (iii) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (a)(1) or (a)(2) above; or
  - (iv) Arising out of his or her providing or failing to provide professional health care services.
- (b) “Property Damage” to property:
  - (i) Owned, occupied or used by;
  - (ii) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by; you, any of your “employees”, “volunteer workers”, any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- (2) Any person (other than your “employee” or “volunteer worker”), or any organization while acting as your real estate manager.

(3) Any person or organization having proper temporary custody of your property if you die, but only:

- (a) With respect to liability arising out of the maintenance or use of that property; and
  - (b) Until your legal representative has been appointed.
  - (4) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
- c. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or a majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However,
- (1) Coverage under this provision is afforded only until the 90<sup>th</sup> day after you acquire or form the organization or the end of the policy period, whichever is earlier.
  - (2) Coverage does not apply to “bodily injury” or “property damage” that occurred before you acquired or formed the organization; and
  - (3) Coverage does not apply to “personal injury” and “advertising injury” arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

#### IV. COVERAGE TERRITORY

##### 1. Coverage A – Follow Form Excess Liability:

With respect to **Coverage A – Follow Form Excess Liability**, this insurance applies anywhere that the applicable “underlying insurance” applies.

##### 2. Coverage B – Umbrella Liability:

With respect to **Coverage B – Umbrella Liability**, this insurance applies anywhere in the world, with the exception of any country or jurisdiction subject to sanctions or embargo by the United States of America.

#### V. SUPPLEMENTAL PAYMENTS



Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

1. We will pay the following expenses in addition to the Limit of Insurance with respect to any claim we investigate or settle, or any “suit” against an insured we defend, to the extent such expenses are not covered by “underlying insurance” or “other insurance”:
  - a. All expenses we incur.
  - b. Up to \$2,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which this coverage applies. We do not have to furnish these bonds.
  - c. The premium costs of appellate bonds or bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.
  - d. Reasonable expenses incurred by an insured at our request to assist us in the investigation or defense of the claim or “suit”, including actual loss of earnings up to \$1000 a day because of time off from work.
  - e. All costs taxed against an insured in the “suit”, except any:
    - (1) Attorneys’ fees or litigation expenses; or
    - (2) Other loss, cost or expense in connection with any injunction or equitable relief.
  - f. Pre-judgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any pre-judgment interest based on that period of time after the offer.
  - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court that part of the judgment that is within our applicable limit of insurance.
2. Our obligation to make these payments ends when we have used up the applicable Limit of Insurance.
3. If the Limits of Insurance of any “underlying insurance” are reduced by defense expense or claim expense as defined under the terms of that policy, then any Supplemental Payments we make that meet the “underlying insurance” definition of defense expense or claim

expense will reduce our applicable Limits of Insurance in the same manner.

4. If the law of a country or jurisdiction prohibits us from paying a Supplementary Payment, we will reimburse you for a Supplementary Payment you have incurred with our consent.

**VI. LIMITS OF INSURANCE**

Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

1. The limits of insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or “suits” brought;
  - c. Persons or organizations making claims or bringing “suits”; or
  - d. Coverages provided by this policy.
2. The Products-Completed Operations Aggregate Limit shown in the Declarations is the most we will pay for the sum of all damages included in the “products - completed operations hazard”.
3. The General Aggregate Limit shown in the Declarations is the most we will pay for the sum of all damages to which this insurance applies, except:
  - a. Damages Included in the “products - completed operations hazard”; or
  - b. Otherwise covered by “underlying insurance”, but to which no aggregate limit in such “underlying insurance” applies.
4. Subject to the applicable Aggregate Limit, the Each Occurrence Limit shown in the Declarations is the most we will pay for damages arising out of any one “occurrence” or offense under **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability** combined, even if such loss is or otherwise would be covered in whole or part under more than one “underlying insurance”.
5. Any amount paid for loss will reduce the amount of the applicable Aggregate Limit available for any other payments.
6. If the applicable Aggregate Limit has been reduced to any amount that is less than the Each Occurrence Limit, the remaining amount of such applicable Aggregate Limit is the most that will be available for any other payments.
7. If the Limits of Insurance of any “underlying insurance” are reduced by defense or claim expenses under the terms of that policy, then any defense or claim expense payments we



make to defend any insured will reduce our applicable Limits of Insurance in the same manner.

8. The Aggregate Limits of this policy apply separately to each consecutive annual period. If our policy period is extended to a period greater than twelve (12) months, the extended period will be considered part of the original policy period for determining the Limits of Insurance.

## VII. EXCLUSIONS

1. Applicable to both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

This insurance does not apply to:

- a. **Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability**

Any liability or expense arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if claims are made or "suits" brought for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to liability or expense because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- b. **Asbestos**

"Bodily injury", "property damage", "personal injury" or "advertising injury" or

any other injury, damage, loss cost or expense arising out of any actual or alleged:

- (1) Inhaling, ingesting or prolonged physical exposure by any person to asbestos or asbestos fibers or goods or products containing asbestos;
- (2) Use of asbestos in constructing or manufacturing any good, product or structure;
- (3) Intentional or accidental removal including encapsulation, dispersal, sealing or disposal of asbestos or asbestos fibers from any good, product or structure;
- (4) Manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos;
- (5) Products manufactured, sold, handled or distributed by or on behalf of the insured which contain asbestos; or
- (6) Acts or omissions of the insured in connection with the general supervision of any job involving the removal, enclosure, encapsulation, dispersal, sealing or disposal of asbestos, asbestos fibers or products containing asbestos. General supervision includes the rendering of or failure to render any instructions, recommendations, warnings or advice.

- c. **Damage to Property**

"Property damage" or related expenses arising from damage to or loss of use of:

- (1) Real property owned, leased, occupied or in the care, custody or control of any insured;
- (2) Real property loaned to any insured;
- (3) That particular part of real property on which you or any contractors or subcontractors working directly on your behalf are performing operations, if the "property damage" arises out of those operations.
- (4) That particular part of any property that must be restored repaired or replaced because "your work" was incorrectly performed on it.
- (5) Personal property in the care, custody or control of the insured.
- (6) Paragraphs (2) and (3) above do not apply to liability assumed under a sidetrack agreement.

- (7) Paragraph (4) above does not apply to “property damage” included in the “Products Completed Operations Hazard”.

**d. Employment Related Practices**

Any claim by or on behalf of:

- (1) A person arising out of any:
- (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) Any person as a consequence of “bodily injury” to that person at whom any of the employment-related practices described in Paragraph (1) above is directed.

This exclusion applies:

- (3) Whether you may be liable as an employer or in any other capacity; and
- (4) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**e. Miscellaneous Laws**

Any liability or expense under any of the following:

- (1) Any obligation of the insured under a workers’ compensation, disability, benefits or unemployment compensation law or any similar law;
- (2) Any breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violations of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 (ERISA), as amended, or any similar local, state, federal or foreign law or regulations; or
- (3) Any uninsured or underinsured motorist, no-fault, medical payments, first party personal injury or similar law.

**f. Nuclear Liability**

“Nuclear Energy Hazards”.

**g. Recall of Products, Work or Impaired Property**

Damages claimed for any loss of use, cost, or expense related to recall, withdrawal, disposal or removal of, inspection, repair or replacement of:

- (1) “Your product”
- (2) “Your work”, or
- (3) “Impaired property”;

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**h. Recording and Distribution of Material in Violation of Law**

Any liability or expense arising out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) The Fair Credit Reporting Act (FCRA) and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

**i. War**

Any liability or expense arising out of “war”.

**2. Applicable to Coverage A – Follow Form Excess Liability only:**

This insurance does not apply to:

**a. Pollution**

- (1) Any “bodily injury”, “property damage”, “personal injury” or “advertising injury” arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of “pollutants”:

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
  - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot originating from equipment that is used to heat, cool, or dehumidify the building, or equipment that is used to heat water for personal use by the building's occupants or their guests;
  - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site, or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured other than the additional insured; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.; or
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to

the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any

way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order, statutory, or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

However, paragraphs (2)(a) and (2)(b) above do not apply to liability for damages because of "property damage" that an insured would have in the absence of such request, demand, order or statutory or regulatory requirement or such claim or "suit" by or on behalf of a governmental authority.

(3) As used in this exclusion, a hostile fire is one which becomes uncontrollable or breaks out from where it was intended to be.

3. Applicable to **Coverage B – Umbrella Liability** only:

This insurance does not apply to:

a. **Aircraft, "Unmanned Aircraft", "Auto" or Watercraft:**

Any liability or expense arising out of the ownership, maintenance, operation, use, entrustment to others, or loading or unloading of any:

(1) Aircraft owned by you or rented, loaned or chartered by or on behalf of you without crew;

(2) "Unmanned aircraft";

(3) "Auto"; or

(4) Watercraft owned by you except watercraft while ashore on premises you own or rent.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision,

hiring, employment, training or monitoring of others by that insured.

b. **Contractual Liability**

Any liability for which any insured is obligated to pay damages by reason of the assumption of liability in any contract or agreement. This exclusion does not apply to liability for damages:

(1) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury", "personal injury", "advertising injury" or "property damage" occurs after the execution of the contract or agreement; or

(2) That any insured would have in the absence of the contract or agreement.

c. **Damage to "Your Product", "Your Work" or "Impaired Property"**

"Property damage" to:

(1) "Your product" arising out of it or any part of it; and

(2) "Your work" arising out of it or any part of it and included in the "products-completed operations hazard".

Paragraphs (1) and (2) above do not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

(3) "Impaired Property" or property that has not been physically injured, arising out of:

(a) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(b) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

d. **Directors and Officers**

Any liability or expense for a wrongful act, error, omission or breach of duty by an insured in the performance of the office of director, officer or trustee of an organization.

e. **Employers Liability**

Any injury to:

(1) Any "employee" of an insured arising out of and in the course of:



- (a) Employment by an insured; or
- (b) Performing duties related to the conduct of an insured's business; or
- (2) Any person as a consequence of paragraph (1) above.

This exclusion applies:

- (3) Whether an insured may be liable as an employer or in any other capacity; and
- (4) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by an insured under an "insured contract".

**f. Expected or Intended Injury**

"Bodily injury", "property damage", "personal injury" or "advertising injury" expected or intended from the standpoint of the insured.

This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

**g. Liquor Liability**

Any liability or expense for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person; or
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (4) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (5) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

**h. Maintenance, Prevention or Enhancement**

To any liability or expense incurred by an insured or any others for any:

- (1) maintenance or enhancement of any property; or
- (2) prevention of any injury or damage to any:
  - (a) person or organization; or
  - (b) property you own, rent or occupy.

**i. "Personal Injury" and "Advertising Injury"**

Any liability or expense for "personal injury" and "advertising injury":

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal injury" or "advertising injury";
- (2) Arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period;
- (4) Arising out of a criminal act committed by or at the direction of the insured;
- (5) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (6) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (7) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (8) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (9) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement" of copyright or slogan.

**(10) Arising out of:**

- (a)** The controlling, creating, designing or developing of another's internet site;
- (b)** The controlling, creating, designing, developing, determining or providing content or material of another's internet site;
- (c)** The controlling, facilitating or providing, or failing to control, facilitate or provide, access to the internet or another's internet site; or
- (d)** Publication of content or material on or from the internet, other than material developed by you or at your direction.

**(11)** Arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control;

**(12)** Arising out of the unauthorized use of another's name or product in your email address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**j. Pollution**

- (1)** "Bodily injury", "property damage", "personal injury" or "advertising injury" part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
- (2)** Any loss, cost or expense arising out of any:
  - (a)** Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b)** Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**k. Professional Liability**

Any liability or expense arising out of the rendering of or failure to render any professional or quasi-professional service (whether or not such service requires certification or licensing), advice or instruction by you or on your behalf, or from whom any of you assumed liability by reason of a contract or agreement, regardless of whether any such service, advice or instruction is ordinary to any insured's profession.

**l. Punitive Damages**

Any sum awarded for punitive damages, exemplary damages, multiplied damages, taxes, fines, or penalties.

**VIII. CONDITIONS**

Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

**1. Appeals**

We may elect to initiate or participate in an appeal of a judgment if such judgment could result in a payment under this insurance.

If we so elect, we shall be liable for all expenses we incur incidental to such appeal, but in no case will the amount we pay for loss exceed the Limits of Insurance.

**2. Bankruptcy**

The bankruptcy of any insured or insured's estate will not relieve us of our obligations under this policy.

In the event of bankruptcy or insolvency of the provider of any "underlying insurance", the insurance provided by this policy will not replace such "underlying insurance" and applies as though such "underlying insurance" was available and collectible.

**3. Cancellation and Non-Renewal**

- a.** The first Named Insured may cancel this policy by mailing or delivering to us, our authorized agent or broker, advance written notice of cancellation stating when the cancellation is to take effect.
- b.** We may cancel this policy or any of its individual coverages by mailing to the first Named Insured a written notice of cancellation at least:

- (1)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or



(2) 60 days before the effective date of cancellation if we cancel for any other reason.

- c. We will mail our notice to the first Named Insured's last mailing address known to us.
- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata.
- f. If we decide not to renew, we will mail to the first Named Insured written notice of non-renewal not less than sixty (60) days before the expiration date.
- g. Proof of mailing will be sufficient proof of notice.

#### 4. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured is authorized to make changes with our consent. This policy's terms can be amended or waived only by endorsement issued by us or made a part of this policy.

#### 5. Currency

All payments or reimbursements we make for damages because of judgments or settlements will be made in United States currency at the prevailing exchange rate at the time the insured became legally obligated to pay such sums.

#### 6. Duties in the Event of "Occurrence", Offense, Claim or "Suit"

- a. You must see to it that we are notified as soon as practicable of any "occurrence" or offense to which this insurance may apply. Notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature of any injury or damage arising out of the "occurrence" or offense.
- b. You will cooperate with the "underlying insurer" as required by the terms of their policies and comply with all terms and conditions of those policies.
- c. If a claim is made or "suit" is brought against any insured to which this

insurance may apply, you must see to it that we receive written notice of the claim or "suit" as soon as practicable.

d. You and any other involved insured must:

- (1) Send us copies as soon as practicable of any demands, notices, summonses or legal papers received in connection with the claim or "suit" to which this insurance may apply;
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit";
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which in our opinion may be liable to an insured because of injury or damage to which this insurance applies;
- (5) Notify us as soon as practicable of any judgment or settlement of any claim or "suit" brought against any insured; and
- (6) Not voluntarily make a payment, assume any obligation or incur any expense without our consent, except at that insured's own cost.

#### 7. Examination of Your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward. We have the right to make copies of those books and records.

#### 8. First Named Insured

The person or organization first named in Item 1. of the Declarations is responsible for the payment of all premiums, the receiving of return premiums, the receipt and acceptance of this policy and any endorsements, and will act on behalf of all other insureds for the giving and receiving of notice of cancellation or any other notice required under this policy or by statute or regulation.

#### 9. Inspections and Surveys

- a. We have the right but not the duty to:
  - (1) Make inspections and surveys at any time;
  - (2) Give you reports on the conditions we find; and
  - (3) Recommend changes.
- b. Any inspections, surveys, reports or recommendations relate only to

insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions:

- (1) Are safe or healthful; or
- (2) Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

#### 10. Joint Duties in Non-Admitted Jurisdictions

With respect to an "occurrence", offense, claim or "suit" that arises in a non-admitted jurisdiction and to which this insurance applies:

- a. If we are prevented by law in any country or jurisdiction from fulfilling our duty to defend you or to investigate claims, you will be responsible for arranging for the defense or investigation under our supervision. We will reimburse you for all reasonable and necessary expense incurred which we would have paid if we had defended the "suit" or investigated the claim; and
- b. If we are prevented by law in any country or jurisdiction from paying damages to which this insurance applies, you may pay the damages with our consent. Upon proof of the payments, we will reimburse you for such damages subject to the applicable Limit of Insurance.

#### 11. Legal Action Against Us

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial, but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the Limits of Insurance.

An agreed settlement means a settlement and release of liability signed by us, an insured

and the claimant or the claimant's legal representative.

#### 12. Maintenance of "underlying insurance"

- a. You agree to maintain the "underlying insurance" in full force and effect during the term of this policy. "underlying insurance" will not be cancelled, non-renewed or rescinded without replacement coverage to which we agree. You must notify us as soon as practicable if any "underlying insurance" is no longer valid or in full force and effect.
- b. The terms and conditions of "underlying insurance" will not materially change, unless we agree otherwise. The terms and conditions or renewals or replacements of "underlying insurance" will be materially the same as prior coverage unless we agree otherwise.
- c. The total applicable limits of "underlying insurance" shall not decrease, except for any reduction or exhaustion of aggregate limits by payment of loss. Reduction or exhaustion of any aggregate limit of liability or limit of insurance in any "underlying insurance" by payments for judgments, settlements or expense will not be a failure to maintain "underlying insurance" in full force and effect.
- d. No statement contained in this Condition limits our right to cancel or not renew this policy.
- e. Your failure to comply will not invalidate this policy, but this policy will apply as if the "underlying insurance" was so maintained.

#### 13. Other Insurance

- a. This insurance is excess over any "other insurance", whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically purchased as excess over this policy.
- b. We have no duty to defend the insured against any claim or "suit" if any other insurer has a duty to defend such insured against that claim or "suit".
- c. This insurance is not subject to the terms or conditions of any "other insurance".
- d. We will pay only our share of the amount of loss, if any, that exceeds the sum of the total:
  - (1) Amount that all "other insurance" would pay for loss in the absence of this insurance; and

- (2) Of all deductible and self-insurance amounts under all "other insurance".

#### 14. Premium Audit

- a. We will compute all premiums for this policy in accordance with our rules, rates, rating plans, premiums and minimum premiums applicable to this insurance.
- b. If the premium for this policy is stated in the Declarations as being subject to adjustment, at the close of each audit period, we will compute the earned premium for that period using the rates and rating basis shown on the Declarations or as stated in an endorsement issued by us. Audit premiums are due and payable on notice to the first Named insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured, but not if such audit premium is less than the minimum premium shown in the Declarations.
- c. The first Named Insured must keep records of the information we need for premium computation and send us copies as we may request.

#### 15. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

If unintentionally you should fail to disclose all hazards at the inception of this policy, we shall not deny coverage under this policy because of such failure.

#### 16. Separation of Insureds

Except with respect to the Limits of Insurance and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" brought.

#### 17. Titles of Paragraphs

The titles of paragraphs in this policy are inserted solely for convenience or reference. Such titles do not limit, define or affect the provisions to which they relate.

#### 18. Transfer of Rights of Recovery Against Others to Us

If an insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. An insured must do nothing after loss to impair such rights. At our request, an insured will bring "suit" or transfer those rights to us and help us enforce them.

Any recoveries will be apportioned in the inverse order of payment of loss to the extent of actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of their respective recoveries.

#### 19. Transfer of Your Rights and Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent.

If you die, your rights and duties are transferred to your legal representative, but only while that legal representative is acting within the scope of their duties as such. Until your legal representative is appointed, anyone with proper temporary custody of your property will have your rights and duties but only with respect to that property.

### IX. DEFINITIONS

Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella**

1. **"Advertisement"** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purpose of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. **"Advertising Injury"** means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
  - a. The use of another's advertising idea in your "advertisement"; or
  - b. Infringing upon another's copyright or slogan in your "advertisement".
3. **"Auto"** means:
  - a. A land motor vehicle, trailer or semi-trailer designed for travel on public roads,

including any attached machinery or equipment; or

- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

4. **"Bodily injury"** means bodily injury, sickness or disease sustained by a person including death resulting from any of these at any time. "Bodily injury" includes mental anguish or other mental injury resulting from "bodily injury".
5. **"Employee"** includes a "leased worker". "Employee" does not include a "temporary worker".
6. **"Executive Officer"** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. **"Impaired property"** means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of the contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.
8. **"Insured contract"** means:
  - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement;

- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume, the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
  - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
    - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
  - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in paragraph (2) above and supervisory, inspection or engineering activities.
9. **"Leased Worker"** means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
  10. **"Loading or Unloading"** means the handling of property:
    - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
    - b. While it is in or on an aircraft, watercraft or "auto"; or



- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**11. "Mobile Equipment"** means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, fork-lifts and other vehicles designed by use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shoves, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos".

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck

chassis and used to raise or lower workers; and

- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**12. "Nuclear Energy Hazard"**

Any liability or expense:

- a. With respect to which an insured under this policy is also an insured under a nuclear energy policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any other similar foreign or domestic authority of any jurisdiction, or their successors, or would be an insured under any such policy of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- b. Resulting from the hazardous properties of nuclear material and with respect to which:
  - (1) Any person or entity is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, of any law amendatory thereof or of any similar law or regulation of any other foreign or domestic authority or jurisdiction; or
  - (2) Any insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America or any other foreign or domestic governmental entity or any agency thereof, under any agreement entered into by the United States of America, any other foreign or domestic governmental body or any agency thereof, with any person or organization.
- c. To "bodily injury" or "property damage" resulting from the hazardous properties of nuclear material, if:
  - (1) The nuclear material:

- (a) Is at any nuclear facility owned by or operated by or on behalf of an insured or,
- (b) Has been discharged or dispersed there from.
- (2) The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
- (3) The “bodily injury” or “property damage” arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this paragraph c. applies only to “Property Damage” to such nuclear facility and any property thereat.

As used in this definition:

“Hazardous properties” include radioactive, toxic or explosive properties.

“Nuclear material” means source material, special nuclear material, or by-products material.

“Source material”, “special nuclear material”, and “by-product material” have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

“Spent fuel” means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor.

“Waste” means any waste material:

- (1) Containing by-product material other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content.
- (2) Resulting from the operation by any person or organization of any nuclear facility included under the first two paragraphs of the definition of nuclear facility.

“Nuclear facility” means:

- (1) Any nuclear reactor; or
- (2) Any equipment or device designated or used for:
  - (a) Separating the isotopes of uranium or plutonium; or

- (b) Processing or utilizing spent fuel; or
- (c) Handling, processing or packaging nuclear waste; or
- (3) Any equipment or device used for processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of an insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
- (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste; and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

“Nuclear reactor” means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

“Property damage” includes all forms of radioactive contamination of property.

- 13. “**Occurrence**” means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 14. “**Other Insurance**” means any insurance that may provide coverage to any insured which this policy would also provide, and includes any type of self-insurance or other mechanism arranged for funding of loss. “Other insurance” does not include “underlying insurance” or insurance specifically purchased as excess over this policy.
- 15. “**Personal Injury**” means injury, including consequential “bodily injury”, arising out of one or more of the following offenses:
  - a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;



- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

**16. "Pollutants"** mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**17. "Products-Completed Operations Hazard"**

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
  - (a) When all of the work called for in your contract has been completed.
  - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
  - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:
  - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
  - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
  - (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed

operations are subject to the General Aggregate Limit.

**18. "Property Damage" means:**

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

**19. "Retained Limit" means the amount stated as such in the Declarations for which the insured is responsible with respect to each "occurrence" under Coverage B – Umbrella Liability.**

**20. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" also includes:**

- a. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

**21. "Temporary Worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.**

**22. "Underlying insurance" means the liability insurance coverage provided under policies shown in the Schedule of Underlying Insurance for the limits and policy periods indicated. It includes any policies issued to replace those policies during the term of this insurance that provide:**

- a. At least the same limits of liability or limits of insurance; and
- b. The same hazards insured against, except as modified by general program revisions or as agreed to by us in writing.

**23. "Underlying Insurer" means any insurer who issues a policy of "underlying insurance".**

**24. "Unmanned aircraft" means an aircraft that is not:**

- a. Designed;

- b. Manufactured; or
  - c. Modified after manufacture;
- to be controlled directly by a person from within or on the aircraft.

**25. "War" means:**

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**26. "Your Product"**

- a. Means:
  - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
    - (a) You;
    - (b) Others trading under your name; or
    - (c) A person or organization whose business or assets you have acquired; and

- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.

- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

**27. "Your Work"**

**a. Means:**

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – PROFESSIONAL LIABILITY  
(COVERAGE A)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph **2**. Applicable to **Coverage A – Follow Form Excess Liability** only:

This insurance does not apply to:

**Professional Services**

Any liability or expense arising out of the rendering of or failure to render any professional service, advice or instruction by you or on your behalf, or from whom any of you assumed liability by reason of a contract or agreement, regardless of whether any such service, advice or instruction is ordinary to any insured's profession.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ILLINOIS CHANGES

This endorsement modifies insurance provided under the following:

### HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A.** The term "spouse", wherever found within this policy, is replaced by the following:

Spouse or party to a civil union recognized under Illinois law.

- B.** The following is added to section **II. DEFENSE AND SETTLEMENT**, paragraph **1. Coverage A – Follow Form Excess Liability Defense and Settlement**, and paragraph **2. Coverage B – Umbrella Liability Defense and Settlement**:

1. The provisions of paragraph **2.** Below are added to all Insuring Agreements that set forth a duty to defend. Paragraph **2.** also applies to any other provision in the policy that sets forth a duty to defend.
2. If we initially defend an insured ("insured") or pay for an insured's ("insured's") defense but later determine that the claim(s) is (are) not covered under this insurance, we will have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement for the defense costs under this provision will only apply to defense costs we have incurred after we notify such insured ("insured") in writing that there may not be coverage, and that we are reserving our rights to terminate the defense and seek reimbursement for defense costs.

- C.** Section **VII. EXCLUSIONS**, paragraph **3.** Applicable to **Coverage B – Umbrella Liability** only, subparagraph **I. Punitive Damages** is replaced by the following:

**I. Punitive Damages**

Any sum awarded for punitive damages, exemplary damages, multiplied damages, taxes, fines or penalties.

Should "suit" be brought against an insured for which coverage is provided herein and such "suit" seek both compensatory and punitive or exemplary damages, then we will afford a defense to such "suit" without liability, however, for such punitive or exemplary damages.

- D.** Section **VIII CONDITIONS**, paragraph **3. Cancellation and Non-Renewal** is replaced by the following:

**3. Cancellation and Non-Renewal**

- a** The first Named Insured shown in the Declarations may cancel this policy by mailing to us advance written notice of cancellation.
- b.** We may cancel this policy by mailing to you, written notice stating the reason for cancellation. If we cancel:
  - (1) For nonpayment of premium, we will mail the notice at least 10 days prior to the effective date of cancellation.
  - (2) For a reason other than nonpayment of premium, we will mail the notice at least:
    - (a) 30 days prior to the effective date of cancellation if the policy has been in effect for 60 days or less.
    - (b) 60 days prior to the effective date of cancellation if the policy has been in effect for more than 60 days.
- c.** If this policy has been in effect for more than 60 days or is a renewal or continuation policy, we may cancel only for one or more of the following reasons:
  - (1) Nonpayment of premium;
  - (2) The policy was obtained through a material misrepresentation;
  - (3) Any insured has violated any of the terms and conditions of the policy;
  - (4) The risk originally accepted has measurably increased;
  - (5) Certification to the Director of Insurance of the loss of reinsurance by the insurer that provided coverage to us for all or a substantial part of the underlying risk insured; or
  - (6) A determination by the Director of Insurance that the continuation of the policy could place us in violation of the insurance laws of this State.

- d. We will mail our notice to you, at your last mailing address known to us. Proof of mailing will be sufficient proof of notice.
- e. Notification of cancellation will also be sent to your broker, if known, or agent of record, if known.
- f. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- g. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be less than pro rata. The cancellation will be effective even if we have not offered a refund.
- h. If we decide not to renew or continue this policy, we will mail you written notice, stating the reason for nonrenewal, at least:
  - (1) 60 days before the end of the policy period for all policies other than those described in **f.(2)**; or
  - (2) 30 days before the end of the policy period for all commercial excess and umbrella liability policies as defined in 215 ILL. COMP. STAT. 143.13.(h). The nonrenewal shall not become effective until at least 30 days from the proof of mailing date of the notice to you.
- b. Proof of mailing will be sufficient proof of notice.
- c. Notification of nonrenewal will also be sent to your broker, if known, or agent of record, if known.
- i. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
- j. If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.
- k. We will mail cancellation and nonrenewal notices to you, and the agent or broker, at the last addresses known to us. Proof of mailing will be sufficient proof of notice.

For the purposes of Paragraph **f.(2)**, commercial excess and umbrella liability policies are defined in 215 ILL. COMP. STAT. 143.13.(h) as follows:

- (h) "Commercial excess and umbrella liability policy" means a policy written over one or more underlying policies for an insured:
  - (1) that has at least 25 full-time employees at the time the commercial excess and umbrella liability policy is written and procures the insurance of any risk or risks, other than life, accident and health, and annuity contracts, as described in clauses (a) and (b) of Class 1 of Section 4 and clause (a) of Class 2 of Section 4, by use of the services of a full-time employee acting as an insurance manager or buyer; or
  - (2) whose aggregate annual premiums for all property and casualty insurance on all risks is at least \$50,000.

**E. The following is added to section VIII. CONDITIONS:**

**Right to Claim Information**

- a. If required by applicable law or regulation, and subject to paragraph e. below, we will provide the first Named Insured shown in the Declarations, within thirty (30) days of the insured's written request or at the same time as any notice of cancellation or nonrenewal, the following information relating to this and any preceding claims-made insurance we have issued to you during the previous three years:
  - (1) Information concerning closed claims limited to the date and description of claims, total amount of payments and total reserves, if any; and
  - (2) Information concerning open claims limited to the date and description of claims, total amount of payments and total reserves, in any; and
  - (3) Information concerning claims not included in subparagraphs (1) and (2) above limited to the date and description of claims and total reserves, if any.
- b. Subject to paragraph e. below, we will provide the first Named Insured shown in the Declarations, within twenty (20) days after receipt of written request by the Named Insured, detailed claims information in addition to that provided under paragraph a. above, including specific reserve amounts.
- c. Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values. You must not disclose this information to any claimant or claimant's representative without our consent.
- d. We compile claim information for our own business purposes and exercise reasonable

care in doing so. In providing this information to the first Named Insured we make no representations or warranties.

- e. We will not provide the information included in paragraphs **a.** and **b.** above if this policy has been cancelled for nonpayment or premium, material misrepresentations or fraud on the part of the insured.

Cancellation or nonrenewal will be effective even if we inadvertently fail to provide this information, or provide inaccurate or incomplete information.

- F. The following is added to any **Extended Reporting Period**:

The percentage in the table relating to length of Extended Reporting Period will be applied to the expiring annual premium.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – LEAD (COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

### **Lead**

Any liability or expense arising out of any actual or alleged presence of or exposure to lead including but not limited to:

- (1) Inhaling, ingesting or prolonged physical exposure by any person to any premises, structure, goods or products containing lead;
- (2) The use of lead in constructing or manufacturing any good, product or structure;

- (3) Intentional or accidental removal including encapsulation, dispersal, sealing or disposal of any good, product or structure containing lead;
- (4) The manufacturing, transportation, storage or disposal of goods or products containing lead;
- (5) Any product manufactured, sold, handled or distributed by or on behalf of the insured which contains lead; or
- (6) Acts or omissions of the insured in connection with the general supervision of any job involving the removal, enclosure, encapsulation, dispersal, sealing, or disposal of products or materials containing lead.

General supervision includes the rendering of or failure to render any instructions, recommendations, warnings, or advice.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**"Certified act of terrorism"** means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism

pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A.** The following exclusion is added to section **VII. EXCLUSIONS**, paragraph **1**. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

### **Terrorism Punitive Damages**

Damages arising, directly or indirectly, out of a "certified act of terrorism" which are awarded as punitive damages.

- B.** For the purpose of this endorsement, the following definition is added to section **IX. DEFINITIONS**:

**"Certified act of terrorism"** means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Insurance Act, to be an act of terrorism pursuant such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

- a.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  - b.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – FUNGI OR BACTERIA LIABILITY (COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph **1**. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

### **Fungi or Bacteria**

Any liability or expense arising out of “fungi” or bacteria which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any “fungi” or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product

contributed concurrently or in any sequence to such injury or damage.

- (1)** This exclusion also applies to any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, “fungi” or bacteria, by you or by any other person or entity.
- (2)** For the purposes of this exclusion, “fungi” means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by “fungi”.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – SILICA (COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

**“Silica” or “Silica-Related Dust”**

Any liability or expense arising out of any actual, alleged, threatened or suspected:

- (1) Inhalation of, or ingestion of, “silica” or “silica-related dust”;
- (2) Threatened or suspected contact with, exposure to, existence of, or presence of, “silica” or “silica-related dust”; or

- (3) Any loss cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, “silica” or “silica-related dust”, by any insured or by any other person or entity.

For the purpose of this exclusion, the following definitions are added:

**“Silica”** means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.

**“Silica-related dust”** means a mixture or combination of silica and other dust or particles.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – TOTAL POLLUTION WITH HOSTILE FIRE EXCEPTION (COVERAGE A)

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A. Section VII. EXCLUSIONS, paragraph 2.**  
Applicable to **Coverage A – Follow Form Excess**  
Only, subparagraph a. is replaced by the following:

This insurance does not apply to:

**a. Pollution**

- (1) Any liability or expense which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release, or escape of “pollutants” at any time.
- (a) This exclusion does not apply to “bodily injury” or “property damage” arising out of heat, smoke or fumes from a “hostile fire” unless that “hostile fire” occurred or originated:
  - (i) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or
  - (ii) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured’s behalf are performing operations to test for,

monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to, or assess the effects of “pollutants”;

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, “pollutants”; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way respond to, or assess the effects of “pollutants”.

- B. For the purpose of this exclusion, the following definition is added to section IX DEFINITIONS:**

**“Hostile fire”** means one which becomes uncontrollable or breaks out from where it was intended to be.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ILLINOIS EXCLUSION – ABUSE AND MOLESTATION  
(COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

**Abuse and Molestation**

Any liability or expense arising out of the actual or threatened abuse or molestation by anyone of any person regardless whether the abuse or molestation was specifically intended or resulted from negligent conduct and regardless whether any insured subjectively intended the injury or damage for which a claim is made.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – DISCRIMINATION (COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

### **Discrimination**

Any liability or expense arising out of discrimination or humiliation based upon, but not limited to:

- |                         |   |
|-------------------------|---|
| (1) Age;                | (5) Race;   |
| (2) Gender;             | (6) Nationality;  |
| (3) Sexual orientation; | (7) National origin;  |
| (4) Marital Status;     | (8) Religion;   |
|                         | (9) Creed;  |
|                         | (10) Mental capabilities or condition;  |
|                         | (11) Physical capabilities, characteristics or condition;<br>or   |
|                         | (12) Any violation of a local, state, federal or foreign<br>law or regulation relating to discrimination. |

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – EMPLOYEE BENEFITS LIABILITY (COVERAGE B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A.** The following is added to section **VII. EXCLUSIONS**, paragraph **3**. Applicable to **Coverage B – Umbrella Liability** only:

This insurance does not apply to:

**Employee Benefits Liability**

Any liability or expense arising out of the “administration” of an “insured’s employee benefit program”.

- B.** For the purposes of this endorsement, the following definitions are added to section **IX. DEFINITIONS**:

“**Administration**” means:

- a.** Giving counsel to employees with respect to “employee benefit programs”;

- b.** Interpreting “employee benefit programs”;

- c.** Handling of records in connection with “employee benefits programs”; and

- d.** Effecting enrollment of employees under “employee benefit programs”.

“**Employee benefit program**” means life insurance, accident or health insurance, pension plans, workers’ compensation, unemployment insurance, social security and disability benefits, investment programs, loan or financial assistance programs, and any other similar benefit program.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS NOTICE IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT, AS AMENDED. THIS NOTICE DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THIS POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

## NOTICE – ACCEPTANCE OF TERRORISM COVERAGE AND DISCLOSURE OF PREMIUM

### Schedule

<b>Disclosure of Premium:</b>	
Total Terrorism Premium	\$ 75
Fire Following Premium	\$
Other than Fire Following Premium	\$

Coverage for “acts of terrorism,” as defined in Section 102(1) of the Terrorism Risk Insurance Act (“Act”) is included in your policy. You are hereby notified that under the Act, as amended in 2015, the definition of “act of terrorism” is:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States’ government by coercion.

### Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

### Cap on Insurer Participation in Payment of Terrorism Losses

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers’ liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

# **Exhibit E**

**AGENT\*\*\*\*\***

1309516

ACRISURE LLC DBA PRESIDIO  
55 SHUMAN BLVD STE 900  
NAPERVILLE IL 60563

**AGENT\*\*\*\*\***



THIS NOTICE IS PROVIDED IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS NOTICE DOES NOT GRANT COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF COVERAGE UNDER THE POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

### Schedule

<b>Disclosure of Premium:</b>	
Total Terrorism Premium	\$ 75
Fire Following Premium	\$
Other than Fire Following Premium	\$

### Disclosure of Terrorism Coverage Available

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from "acts of terrorism" defined in Section 102(1) of the Act as follows:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

The premium charged for this coverage is provided in the Schedule above and does not include any charges for the portion of loss that may be covered by the Federal Government as described below.

Your policy may contain other exclusions which could affect your coverage, such as an exclusion for Nuclear Events or Pollution. **Please read your policy carefully.**

### Note for Commercial Property or Commercial Inland Marine Policyholders in Standard Fire States:

In your state, a terrorism exclusion makes an exception for (and therefore provides coverage for) fire losses resulting from an act of terrorism. If you reject the offer of terrorism coverage, therefore, that rejection does not apply to fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy. The additional premium just for such fire coverage is shown in the Schedule above.

### Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

**Cap on Insurer Participation in Payment of Terrorism Losses**

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers' liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**Rejection of Terrorism Insurance Coverage**

☐ I decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

\_\_\_\_\_  
Applicant/Policyholder Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Hanover Insurance Company

\_\_\_\_\_  
Insurance Company

\_\_\_\_\_  
UHC D713545 01

\_\_\_\_\_  
Quote or Policy Number



RENEWAL OF POLICY UHC D713545 00

**COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY**

**THESE DECLARATIONS, TOGETHER WITH THE COVERAGE FORM(S) AND ANY ENDORSEMENT(S),  
COMPLETE THE BELOW NUMBERED POLICY.**

POLICY NUMBER: UHC D713545 01  
COMPANY: Hanover Insurance Company

**DECLARATIONS****Item 1. Named Insured and Address**

(No., Street, Town, County, State)

**Agent**

SUPERIOR KNIFE LLC  
1225 ARTHUR AVE  
ELK GROVE VILLAGE IL 60007

1309516  
ACRISURE LLC DBA PRESIDIO  
55 SHUMAN BLVD STE 900  
NAPERVILLE IL 60563

**Item 2. Policy Period:** (Month, Day, Year)

From 10/01/2019 To 10/01/2020

12:01 A. M., standard time at the address of the Named Insured as stated herein.

**Form of Business:**

- ☐ Individual      ☐ Partnership      ☐ Corporation      ☒ Limited Liability Company  
☐ Organization (Other than Partnership, Joint Venture or Limited Liability Company)

**Business Description: Knife Sharpening Company**

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY. THIS PREMIUM MAY BE SUBJECT TO AUDIT.

**Item 3. Limit of Insurance**

<b>Each Occurrence or Each Claim Limit:</b>	\$2,000,000
<b>Products – Completed Operations Aggregate Limit:</b>	\$2,000,000
<b>General Aggregate Limit</b>	\$2,000,000

<b>Retained Limit:</b>	\$0
------------------------	-----

**Item 4. Premium Computation:**

<b>Estimated Annual Premium</b>	\$3,318.00
<b>Premium Surcharges</b>	\$
<b>(Premium Surcharges NOT APPLICABLE in New York)</b>	
<b>Annual Minimum Premium</b>	\$3,318.00
<b>Advance Premium</b>	\$3,318.00

**Endorsements:**

See next page



- ☐ PREPAID - the total annual premium is due at inception.  
☐ HANOCASH - the annual premium is payable according to the term of the Hanocash endorsement attached.  
☐ ACCOUNT BILL    ☒ DIRECT BILL    ☐ Annual    ☐ Semi-Annual    ☐ Other

Audit period: Non Auditable Unless indicated by    ☐ Annual    ☐ Semi-Annual    ☐ Other

If you cancel this policy, we shall receive and retain not less than NIL as a policy minimum premium.



### Forms Applicable To This Policy:

\*Asterisk denotes new or changed form

<u>Form Number</u>	<u>Form Edition</u>	<u>Description</u>
331-0053	08/16	Illinois Inquiry Notice
401-1127	01/15	Notice - Acceptance Of Terrorism Coverage and Disclosure Of Premium
401-1337	02/16	Trade Or Economic Sanctions Endorsement
* 401-1374	01/15	Offer Disclosure Pursuant To Terrorism Risk Insurance Act
401-1377	12/14	Company Address Listing
401-1379	12/14	Illinois Inquiry Notice
475-0001	01/18	Hanover Commercial Follow Form Excess And Umbrella Policy
475-0031	12/14	Exclusion - Professional Liability (Coverage A)
475-0038	08/18	Illinois Changes
475-0057	12/14	Exclusion - Lead (Coverage A and B)
475-0066	01/15	Cap on Losses From Certified Acts of Terrorism
475-0070	01/15	Exclusion of Punitive Damages Related To A Certified Act Of Terrorism
475-0080	12/14	Exclusion - Fungi Or Bacteria Liability (Coverage A and B)
475-0084	12/14	Exclusion - Silica (Coverage A and B)
475-0092	12/14	Exclusion - Total Pollution With Hostile Fire Exception (Coverage A)
475-0100	12/14	Illinois Exclusion - Abuse and Molestation (Coverage A and B)
475-0215	12/14	Exclusion - Discrimination (Coverage A and B)
475-0351	12/14	Exclusion - Employee Benefits Liability (Coverage B)
SIG 11 00	11/17	Signature Page



## SCHEDULE OF UNDERLYING POLICIES

**Insured:** SUPERIOR KNIFE LLC

**Effective on and after** 10/01/2019 12:01 A.M. Standard Time

**This Schedule is part of Policy Number:** UHC D713545 01

CARRIER, POLICY NUMBER & PERIOD	TYPE OF POLICY	APPLICABLE LIMITS OR AMOUNT OF INSURANCE	
(a) Carrier: CITIZENS INSURANCE COMPANY OF ILLINOIS Policy Number: ZCC D713544 01 Policy Period: 10/01/2019 TO 10/01/2020	Commercial General Liability	\$1,000,000	Occurrence/ Each Claim
	<input type="checkbox"/> Owned Autos	\$1,000,000	Personal Injury
	<input type="checkbox"/> Non-owned & Hired Autos	\$1,000,000	Advertising Injury
		\$2,000,000	General Aggregate
		\$2,000,000	Product/Completed Operations Aggregate
(b) Carrier: ALLMERICA FINANCIAL BENEFITS  Policy Number: AWC D713201 01 Policy Period: 10/01/2019 TO 10/01/2020	Comprehensive Automobile Liability including	Bodily Injury and Property Damage Liability Combined:	
	<input checked="" type="checkbox"/> Owned Autos	\$1,000,000	Each Accident
	<input checked="" type="checkbox"/> Non-Owned & Hired Autos	Bodily Injury	
		\$	Each Person
		\$	Each Accident
(c) Carrier:  Policy Number: Policy Period:	Garage Liability	Bodily Injury and Property Damage Liability Combined:	
	<input type="checkbox"/> Dealers		Each Accident
	<input type="checkbox"/> Service	Garage Operations	
		\$	Auto Only
		\$	Other than Auto Only
(d) Carrier: CITIZENS INSURANCE COMPANY OF ILLINOIS Policy Number: WCC D689285 01 Policy Period: 10/01/2019 TO 10/01/2020	Standard Workers' Compensation & Employers' Liability	<b>Coverage B – Employers Liability</b>	
		Bodily Injury by Accident	
		\$500,000	Each Accident
		Bodily Injury by Disease	
		\$500,000	Each Employee
	<b>NEW YORK ONLY:</b> The Umbrella Coverage for Workers' Compensation and Employers Liability is not applicable in situations where an employee is subject to the New York Workers' Compensation Law.	\$500,000	Aggregate

An "X" marked in the box provided indicates these broadening or optional coverage are provided in the Underlying Insurance





(e) Carrier: Policy Number: Policy Period:	Liquor Liability	\$ \$ \$ \$	Each Common Cause Other Aggregate Other
(f) Carrier: Policy Number: Policy Period:	Professional Liability	\$ \$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate Other
(g) Carrier: Policy Number: Policy Period:	Directors & Officers Liability	\$ \$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate Other
(h) Carrier: Policy Number: Policy Period:	Stop Gap Liability	Bodily Injury by Accident \$ Bodily Injury by Disease \$ \$	Each Accident Each Employee Aggregate
(i) Carrier: Policy Number: Policy Period:	Abuse and Molestation	\$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate
(j) Carrier: Policy Number: Policy Period:	Foreign	\$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate
(k) Carrier: CITIZENS INSURANCE COMPANY OF ILLINOIS Policy Number: ZCC D713544 01 Policy Period: 10/01/2019 TO 10/01/2020	Employee Benefits Liability	\$ \$1,000,000 \$ \$3,000,000	Each Occurrence Each Claim Other Aggregate
(l) Carrier: Policy Number: Policy Period:	Other	\$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate

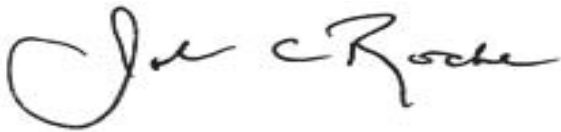
An "X" marked in the box provided indicates these broadening or optional coverage are provided in the Underlying Insurance

Countersigned By: \_\_\_\_\_  
Authorized Representative of the Company

Date: \_\_\_\_\_

THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

**In Witness Whereof**, this company has caused this policy to be signed by its President and Secretary and countersigned on the declarations page, where required, by a duly authorized agent of the company.

A handwritten signature in black ink, appearing to read "John C. Roche". The signature is fluid and cursive, with the first name "John" being more prominent.

John C. Roche  
President

A handwritten signature in black ink, appearing to read "Charles F. Cronin". The signature is cursive, with the first name "Charles" being more prominent.

Charles Frederick Cronin  
Secretary

## **ILLINOIS INQUIRY NOTICE**

In accordance with Illinois statute 215 ILCS 5/143c, the following information is provided:

This notice is to advise you that should any complaints arise regarding this insurance, you may contact the following:

The Hanover Insurance Company, Massachusetts Bay Insurance Company, Citizens Insurance Company of America, Citizens Insurance Company of Midwest, Citizens Insurance Company of Illinois, Allmerica Financial Benefit Insurance Company, Allmerica Financial Alliance Insurance Company and The Hanover American Insurance Company, complaint department for policies written through agencies located in the state of Illinois is:

**Complaint Department  
The Hanover Insurance Group  
333 W. Pierce Road  
Suite 300  
Itasca, Illinois 60143  
1-800-685-5669**

The address of the Consumer Division or Public Services Section of the Illinois Department of Insurance is:

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
320 W. Washington Street  
Springfield, Illinois 62767  
Or**

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
122 S Michigan Ave 19<sup>th</sup> Floor  
Chicago, IL 60603  
1-312-814-2420**

**Or**

**<http://insurance.illinois.gov>**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **TRADE OR ECONOMIC SANCTIONS ENDORSEMENT**

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

## IMPORTANT INFORMATION ABOUT YOUR INSURANCE COMPANY

The Home Office address for the Insurance Company shown on the policy Declarations page is:

**Allmerica Financial Alliance Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**The Hanover American Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Allmerica Financial Benefit Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**The Hanover Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Campmed Casualty & Indemnity Company, Inc.**  
(A Stock Company)  
12100 Sunset Hills Road, Suite 300  
Reston, VA 20190-3295

**Hanover Lloyds Insurance Company**  
(A Texas Lloyd's Plan Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of America**  
(A Stock Company)  
808 North Highlander Way  
Howell, MI 48843-1070

**Massachusetts Bay Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of Illinois**  
(A Stock Company)  
333 West Pierce Road, Suite 300  
Itasca, IL 60143-3114

**The Hanover New Jersey Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of the Midwest**  
(A Stock Company)  
9229 Delegates Row, Suite 100  
Indianapolis, IN 46240-3824

**Verlan Fire Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of Ohio**  
(A Stock Company)  
1300 East 9th Street, Suite 1010  
Cleveland, OH 44114-1506

## ILLINOIS INQUIRY NOTICE

In accordance with Illinois statute 215 ILCS 5/143c and 50 IL Adm. Code 753, the following information is provided:

Hanover Insurance Company is a stock company with a corporate office at 440 Lincoln Street, Worcester, MA 01653.

This notice is to advise you that should any complaints arise regarding this insurance, you may contact the following:

The Hanover Insurance Company, Massachusetts Bay Insurance Company, Citizens Insurance Company of America, Citizens Insurance Company of Illinois and Allmerica Financial Benefit Insurance Company, complaint department for policies written through agencies located in the state of Illinois is:

**Complaint Department  
The Hanover Insurance Group  
333 W. Pierce Road Suite 300  
Itasca, Illinois 60143  
1-800-685-5669**

The address of the Consumer Division or Public Services Section of the Illinois Department of Insurance is:

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
320 W. Washington Street  
Springfield, Illinois 62767  
866-445-5364**



# HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

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## HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

Various provisions of this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

We will not pay sums or perform acts or services unless explicitly provided for in this policy.

Throughout this policy the words **you** and **your** refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy. The words **we**, **us** and **our** refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to the Definitions Section of this policy.

### I. INSURING AGREEMENTS

#### 1. Coverage A – Follow Form Excess Liability Insuring Agreement

- a. We will pay on behalf of the insured those sums in excess of the “underlying insurance” which the insured becomes legally obligated to pay as damages, provided:

- (1) Such damages are covered by “underlying insurance”;
- (2) The event which triggers coverage on the “underlying insurance” takes place during the policy period of this insurance, and
- (3) The applicable Limit of Insurance of the “underlying insurance” is exhausted by payment of judgments, settlements, related costs or expenses for damages also covered under this policy. We will not pay if the Limit of Insurance of “underlying insurance” is exhausted by payment for damages to which this insurance does not also apply.

- b. We will not pay damages that the “underlying insurance” does not pay for any reason other than exhaustion of limits of the “underlying insurance” by payment of judgments, settlements, related costs or expenses.

- c. The terms and conditions of the “underlying insurance” in effect at the inception of this policy apply unless they are inconsistent with the terms and conditions of this policy.

- d. The amount we will pay for damages is limited as described in section **VI. LIMITS OF INSURANCE**.

- e. We have no obligation under this insurance with respect to any claim or “suit” settled without our consent.

- f. This policy does not apply to any part of loss within the Limit of Insurance of “underlying insurance”, or any related costs or expenses.

- g. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under section **II. DEFENSE AND SETTLEMENT** and section **V. SUPPLEMENTAL PAYMENTS**.

#### 2. Coverage B – Umbrella Liability Insuring Agreement

- a. We will pay on behalf of the insured those sums in excess of the “retained limit” shown in the Declarations which the insured becomes legally obligated to pay as damages because of “bodily injury”, “property damage”, “personal injury” and “advertising injury” to which this coverage applies, provided:

- (1) The:

- (a) “Bodily injury” or “property damage” is caused by an “occurrence”; or
- (b) “Personal injury” and “advertising injury” is caused by an offense arising out of your business;

Which took place within the coverage territory as described in section **IV. COVERAGE TERRITORY**;

- (2) The “bodily injury” or “property damage” occurs during the policy period, and the offense causing “personal injury” or “advertising injury” is first committed during our policy period; and

- (3) Prior to the policy period, no insured and no “employee” authorized by you to give or receive notice of an “occurrence”, offense or claim, knew that the “bodily injury”, “property damage”, “personal injury” or “advertising injury” had occurred, in whole or in part. If such an insured or authorized “employee” knew, prior to the policy period, that the “bodily injury”, “property damage”, “personal injury” or “advertising injury” occurred, then any continuation, change or resumption of such “bodily injury”, “property damage”, “personal injury” or “advertising injury” during or after the policy period will be deemed to have been known prior to the policy period.

However, “bodily injury”, “property damage”, “personal injury” or “advertising injury” which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured or by any “employee” authorized by you to give or receive notice of an “occurrence”, offense or claim, includes any continuation, change or resumption of that “bodily injury”, “property damage”, “personal injury” or “advertising injury” after the end of the policy period.

- b. “Bodily injury”, “property damage”, “personal injury” or “advertising injury” will be deemed to have been known to have occurred at the earliest time when any insured, or any “employee” authorized by you to give or receive notice of an “occurrence”, offense or claim:
- (1) Reports all or any part of the “bodily injury”, “property damage”, “personal injury” or “advertising injury” to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the “bodily injury”, “property damage”, “personal injury” or “advertising injury”; or
  - (3) Becomes aware by any other means that “bodily injury”, “property damage”, “personal injury” or “advertising injury” has occurred or has begun to occur.
- c. **Coverage B – Umbrella Liability Insuring Agreement** does not apply to:
- (1) Any claim or “suit” which is covered by “underlying insurance” regardless of

whether or not the “underlying insurance” is available or the limits have been exhausted;

- (2) Any claim or “suit” covered by **Coverage A – Follow Form Excess Liability Insurance** of this policy; or

- (3) Any costs or expenses related to loss as described by c.(1) or c.(2) above.

- d. The amount we will pay for damages is limited as described in section **VI. LIMITS OF INSURANCE**.

- e. We have no obligation under this insurance with respect to any claim or “suit” settled without our consent.

- f. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under section **II. DEFENSE AND SETTLEMENT** and section **V. SUPPLEMENTARY PAYMENTS**.

## II. DEFENSE AND SETTLEMENT

### 1. Coverage A – Follow Form Excess Liability Defense and Settlement:

- a. We have the right and duty to defend the insured against any “suit” seeking damages to which this insurance applies. If the “underlying insurer” defends a “suit” even if such “suit” is groundless, false or fraudulent, we will also defend such a “suit”. We have no duty to defend any person or organization against any claim or “suit”:

  - (1) To which this insurance does not apply; or
  - (2) If any other insurer has a duty to defend.

- b. Where we have the duty to defend, we may, at our discretion, investigate any occurrence or offense and settle any claim or “suit”.
- c. Where we have no duty to defend, we have the right to participate in the investigation and settlement of any claim, and defense of any “suit”, that we feel may create liability on our part under the terms and conditions of this policy. If we exercise this right, we will do so at our own expense.
- d. Our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements. However, if the Limits of Insurance of any “underlying insurance” are reduced by defense or claim expense

under the terms of that policy, then our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments, settlements, and defense or claim expense as defined in the “underlying insurance”.

## **2. Coverage B – Umbrella Liability Defense and Settlement:**

- a. We have the right and duty to defend the insured against any “suit” because of “bodily injury”, “property damage”, “personal injury” or “advertising injury” to which this insurance applies, even if such “suit” is groundless, false or fraudulent. We have no duty to defend any person or organization against any claim or “suit”:
  - (1) To which this insurance does not apply; or
  - (2) If any other insurer has a duty to defend.
- b. Where we have the duty to defend, we may, at our discretion, investigate any “occurrence” or offense and settle any claim or “suit”.
- c. Where we have no duty to defend, we have the right to participate in the investigation and settlement of any claim, and defense of any “suit”, that we feel may create liability on our part under the terms and conditions of this policy. If we exercise this right, we will do so at our own expense.
- d. Our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements. However, if the Limits of Insurance of any “underlying insurance” are reduced by defense or claim expense under the terms of that policy, then our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments, settlements, and defense or claim expense as defined in the “underlying insurance”.

## **III. WHO IS AN INSURED**

### **1. Coverage A – Follow Form Excess Liability Who Is An Insured:**

The following persons or organizations qualify as an insured:

- a. The named insured stated in Item 1 of the Declarations; and
- b. Any other person or organization qualifying as an insured under the “underlying insurance” but not beyond the

extent of any limitation imposed under any contract or agreement.

If coverage provided to an Additional Insured is required by contract or agreement, the most we will pay on behalf of the Additional Insured is the amount of insurance required by the contract, less any amounts payable by “underlying insurance”.

Additional Insured coverage provided by this insurance will not be broader than coverage provided by the “underlying insurance”. The inclusion of Additional Insureds does not increase the Limit of Insurance.

### **2. Coverage B – Umbrella Liability Who Is An Insured:**

- a. If you are designated in the Declarations as:
  - (1) An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - (2) A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - (3) A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - (4) An organization other than a partnership, joint venture or limited liability company, you are an insured. Your “executive officers” and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - (5) A trust, you are an insured. Your trustees are also insureds, but only with respect their duties as trustees.
- b. Each of the following is also an insured:
  - (1) Your “volunteer workers” only while performing duties related to the conduct of your business, or your “employees”, other than your “executive officers” (if you are an organization other than a partnership, joint venture or limited liability

company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these “employees” or “volunteer workers” is an insured for:

- (a) “Bodily injury”, “personal injury” or “advertising injury”:
  - (i) To you, to your partners or members (if you are a partnership or joint venture), to a co-“employee” while in the course of his or her employment or performing duties related to the conduct of your business, or to your other “volunteer workers” while performing duties related to the conduct of your business;
  - (ii) To the spouse, child, parent, brother or sister of the “employee” or “volunteer worker” as a consequence of paragraph (a)(1) above;
  - (iii) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (a)(1) or (a)(2) above; or
  - (iv) Arising out of his or her providing or failing to provide professional health care services.
- (b) “Property Damage” to property:
  - (i) Owned, occupied or used by;
  - (ii) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by; you, any of your “employees”, “volunteer workers”, any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- (2) Any person (other than your “employee” or “volunteer worker”), or any organization while acting as your real estate manager.

(3) Any person or organization having proper temporary custody of your property if you die, but only:

- (a) With respect to liability arising out of the maintenance or use of that property; and
- (b) Until your legal representative has been appointed.
- (4) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

c. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or a majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However,

- (1) Coverage under this provision is afforded only until the 90<sup>th</sup> day after you acquire or form the organization or the end of the policy period, whichever is earlier.
- (2) Coverage does not apply to “bodily injury” or “property damage” that occurred before you acquired or formed the organization; and
- (3) Coverage does not apply to “personal injury” and “advertising injury” arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

#### IV. COVERAGE TERRITORY

##### 1. Coverage A – Follow Form Excess Liability:

With respect to **Coverage A – Follow Form Excess Liability**, this insurance applies anywhere that the applicable “underlying insurance” applies.

##### 2. Coverage B – Umbrella Liability:

With respect to **Coverage B – Umbrella Liability**, this insurance applies anywhere in the world, with the exception of any country or jurisdiction subject to sanctions or embargo by the United States of America.

#### V. SUPPLEMENTAL PAYMENTS



Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

1. We will pay the following expenses in addition to the Limit of Insurance with respect to any claim we investigate or settle, or any “suit” against an insured we defend, to the extent such expenses are not covered by “underlying insurance” or “other insurance”:
  - a. All expenses we incur.
  - b. Up to \$2,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which this coverage applies. We do not have to furnish these bonds.
  - c. The premium costs of appellate bonds or bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.
  - d. Reasonable expenses incurred by an insured at our request to assist us in the investigation or defense of the claim or “suit”, including actual loss of earnings up to \$1000 a day because of time off from work.
  - e. All costs taxed against an insured in the “suit”, except any:
    - (1) Attorneys’ fees or litigation expenses; or
    - (2) Other loss, cost or expense in connection with any injunction or equitable relief.
  - f. Pre-judgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any pre-judgment interest based on that period of time after the offer.
  - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court that part of the judgment that is within our applicable limit of insurance.
2. Our obligation to make these payments ends when we have used up the applicable Limit of Insurance.
3. If the Limits of Insurance of any “underlying insurance” are reduced by defense expense or claim expense as defined under the terms of that policy, then any Supplemental Payments we make that meet the “underlying insurance” definition of defense expense or claim

expense will reduce our applicable Limits of Insurance in the same manner.

4. If the law of a country or jurisdiction prohibits us from paying a Supplementary Payment, we will reimburse you for a Supplementary Payment you have incurred with our consent.

**VI. LIMITS OF INSURANCE**

Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

1. The limits of insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or “suits” brought;
  - c. Persons or organizations making claims or bringing “suits”; or
  - d. Coverages provided by this policy.
2. The Products-Completed Operations Aggregate Limit shown in the Declarations is the most we will pay for the sum of all damages included in the “products - completed operations hazard”.
3. The General Aggregate Limit shown in the Declarations is the most we will pay for the sum of all damages to which this insurance applies, except:
  - a. Damages Included in the “products - completed operations hazard”; or
  - b. Otherwise covered by “underlying insurance”, but to which no aggregate limit in such “underlying insurance” applies.
4. Subject to the applicable Aggregate Limit, the Each Occurrence Limit shown in the Declarations is the most we will pay for damages arising out of any one “occurrence” or offense under **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability** combined, even if such loss is or otherwise would be covered in whole or part under more than one “underlying insurance”.
5. Any amount paid for loss will reduce the amount of the applicable Aggregate Limit available for any other payments.
6. If the applicable Aggregate Limit has been reduced to any amount that is less than the Each Occurrence Limit, the remaining amount of such applicable Aggregate Limit is the most that will be available for any other payments.
7. If the Limits of Insurance of any “underlying insurance” are reduced by defense or claim expenses under the terms of that policy, then any defense or claim expense payments we



make to defend any insured will reduce our applicable Limits of Insurance in the same manner.

8. The Aggregate Limits of this policy apply separately to each consecutive annual period. If our policy period is extended to a period greater than twelve (12) months, the extended period will be considered part of the original policy period for determining the Limits of Insurance.

## VII. EXCLUSIONS

1. Applicable to both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

This insurance does not apply to:

- a. **Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability**

Any liability or expense arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if claims are made or "suits" brought for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to liability or expense because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- b. **Asbestos**

"Bodily injury", "property damage", "personal injury" or "advertising injury" or

any other injury, damage, loss cost or expense arising out of any actual or alleged:

- (1) Inhaling, ingesting or prolonged physical exposure by any person to asbestos or asbestos fibers or goods or products containing asbestos;
- (2) Use of asbestos in constructing or manufacturing any good, product or structure;
- (3) Intentional or accidental removal including encapsulation, dispersal, sealing or disposal of asbestos or asbestos fibers from any good, product or structure;
- (4) Manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos;
- (5) Products manufactured, sold, handled or distributed by or on behalf of the insured which contain asbestos; or
- (6) Acts or omissions of the insured in connection with the general supervision of any job involving the removal, enclosure, encapsulation, dispersal, sealing or disposal of asbestos, asbestos fibers or products containing asbestos. General supervision includes the rendering of or failure to render any instructions, recommendations, warnings or advice.

- c. **Damage to Property**

"Property damage" or related expenses arising from damage to or loss of use of:

- (1) Real property owned, leased, occupied or in the care, custody or control of any insured;
- (2) Real property loaned to any insured;
- (3) That particular part of real property on which you or any contractors or subcontractors working directly on your behalf are performing operations, if the "property damage" arises out of those operations.
- (4) That particular part of any property that must be restored repaired or replaced because "your work" was incorrectly performed on it.
- (5) Personal property in the care, custody or control of the insured.
- (6) Paragraphs (2) and (3) above do not apply to liability assumed under a sidetrack agreement.

- (7) Paragraph (4) above does not apply to “property damage” included in the “Products Completed Operations Hazard”.

**d. Employment Related Practices**

Any claim by or on behalf of:

- (1) A person arising out of any:
- (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) Any person as a consequence of “bodily injury” to that person at whom any of the employment-related practices described in Paragraph (1) above is directed.

This exclusion applies:

- (3) Whether you may be liable as an employer or in any other capacity; and
- (4) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**e. Miscellaneous Laws**

Any liability or expense under any of the following:

- (1) Any obligation of the insured under a workers’ compensation, disability, benefits or unemployment compensation law or any similar law;
- (2) Any breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violations of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 (ERISA), as amended, or any similar local, state, federal or foreign law or regulations; or
- (3) Any uninsured or underinsured motorist, no-fault, medical payments, first party personal injury or similar law.

**f. Nuclear Liability**

“Nuclear Energy Hazards”.

**g. Recall of Products, Work or Impaired Property**

Damages claimed for any loss of use, cost, or expense related to recall, withdrawal, disposal or removal of, inspection, repair or replacement of:

- (1) “Your product”
- (2) “Your work”, or
- (3) “Impaired property”;

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**h. Recording and Distribution of Material in Violation of Law**

Any liability or expense arising out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) The Fair Credit Reporting Act (FCRA) and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

**i. War**

Any liability or expense arising out of “war”.

**2. Applicable to Coverage A – Follow Form Excess Liability only:**

This insurance does not apply to:

**a. Pollution**

- (1) Any “bodily injury”, “property damage”, “personal injury” or “advertising injury” arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of “pollutants”:

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
  - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot originating from equipment that is used to heat, cool, or dehumidify the building, or equipment that is used to heat water for personal use by the building's occupants or their guests;
  - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site, or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured other than the additional insured; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.; or
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to

the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any

way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order, statutory, or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

However, paragraphs (2)(a) and (2)(b) above do not apply to liability for damages because of "property damage" that an insured would have in the absence of such request, demand, order or statutory or regulatory requirement or such claim or "suit" by or on behalf of a governmental authority.

(3) As used in this exclusion, a hostile fire is one which becomes uncontrollable or breaks out from where it was intended to be.

3. Applicable to **Coverage B – Umbrella Liability** only:

This insurance does not apply to:

a. **Aircraft, "Unmanned Aircraft", "Auto" or Watercraft:**

Any liability or expense arising out of the ownership, maintenance, operation, use, entrustment to others, or loading or unloading of any:

(1) Aircraft owned by you or rented, loaned or chartered by or on behalf of you without crew;

(2) "Unmanned aircraft";

(3) "Auto"; or

(4) Watercraft owned by you except watercraft while ashore on premises you own or rent.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision,

hiring, employment, training or monitoring of others by that insured.

b. **Contractual Liability**

Any liability for which any insured is obligated to pay damages by reason of the assumption of liability in any contract or agreement. This exclusion does not apply to liability for damages:

(1) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury", "personal injury", "advertising injury" or "property damage" occurs after the execution of the contract or agreement; or

(2) That any insured would have in the absence of the contract or agreement.

c. **Damage to "Your Product", "Your Work" or "Impaired Property"**

"Property damage" to:

(1) "Your product" arising out of it or any part of it; and

(2) "Your work" arising out of it or any part of it and included in the "products-completed operations hazard".

Paragraphs (1) and (2) above do not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

(3) "Impaired Property" or property that has not been physically injured, arising out of:

(a) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(b) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

d. **Directors and Officers**

Any liability or expense for a wrongful act, error, omission or breach of duty by an insured in the performance of the office of director, officer or trustee of an organization.

e. **Employers Liability**

Any injury to:

(1) Any "employee" of an insured arising out of and in the course of:



- (a) Employment by an insured; or
- (b) Performing duties related to the conduct of an insured's business; or
- (2) Any person as a consequence of paragraph (1) above.

This exclusion applies:

- (3) Whether an insured may be liable as an employer or in any other capacity; and
- (4) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by an insured under an "insured contract".

**f. Expected or Intended Injury**

"Bodily injury", "property damage", "personal injury" or "advertising injury" expected or intended from the standpoint of the insured.

This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

**g. Liquor Liability**

Any liability or expense for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person; or
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (4) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (5) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

**h. Maintenance, Prevention or Enhancement**

To any liability or expense incurred by an insured or any others for any:

- (1) maintenance or enhancement of any property; or
- (2) prevention of any injury or damage to any:
  - (a) person or organization; or
  - (b) property you own, rent or occupy.

**i. "Personal Injury" and "Advertising Injury"**

Any liability or expense for "personal injury" and "advertising injury":

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal injury" or "advertising injury";
- (2) Arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period;
- (4) Arising out of a criminal act committed by or at the direction of the insured;
- (5) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (6) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (7) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (8) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (9) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement" of copyright or slogan.

**(10) Arising out of:**

- (a)** The controlling, creating, designing or developing of another's internet site;
- (b)** The controlling, creating, designing, developing, determining or providing content or material of another's internet site;
- (c)** The controlling, facilitating or providing, or failing to control, facilitate or provide, access to the internet or another's internet site; or
- (d)** Publication of content or material on or from the internet, other than material developed by you or at your direction.

**(11)** Arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control;

**(12)** Arising out of the unauthorized use of another's name or product in your email address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**j. Pollution**

- (1)** "Bodily injury", "property damage", "personal injury" or "advertising injury" part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
- (2)** Any loss, cost or expense arising out of any:
  - (a)** Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b)** Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**k. Professional Liability**

Any liability or expense arising out of the rendering of or failure to render any professional or quasi-professional service (whether or not such service requires certification or licensing), advice or instruction by you or on your behalf, or from whom any of you assumed liability by reason of a contract or agreement, regardless of whether any such service, advice or instruction is ordinary to any insured's profession.

**l. Punitive Damages**

Any sum awarded for punitive damages, exemplary damages, multiplied damages, taxes, fines, or penalties.

**VIII. CONDITIONS**

Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

**1. Appeals**

We may elect to initiate or participate in an appeal of a judgment if such judgment could result in a payment under this insurance.

If we so elect, we shall be liable for all expenses we incur incidental to such appeal, but in no case will the amount we pay for loss exceed the Limits of Insurance.

**2. Bankruptcy**

The bankruptcy of any insured or insured's estate will not relieve us of our obligations under this policy.

In the event of bankruptcy or insolvency of the provider of any "underlying insurance", the insurance provided by this policy will not replace such "underlying insurance" and applies as though such "underlying insurance" was available and collectible.

**3. Cancellation and Non-Renewal**

- a.** The first Named Insured may cancel this policy by mailing or delivering to us, our authorized agent or broker, advance written notice of cancellation stating when the cancellation is to take effect.
- b.** We may cancel this policy or any of its individual coverages by mailing to the first Named Insured a written notice of cancellation at least:

- (1)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or



(2) 60 days before the effective date of cancellation if we cancel for any other reason.

- c. We will mail our notice to the first Named Insured's last mailing address known to us.
- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata.
- f. If we decide not to renew, we will mail to the first Named Insured written notice of non-renewal not less than sixty (60) days before the expiration date.
- g. Proof of mailing will be sufficient proof of notice.

#### 4. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured is authorized to make changes with our consent. This policy's terms can be amended or waived only by endorsement issued by us or made a part of this policy.

#### 5. Currency

All payments or reimbursements we make for damages because of judgments or settlements will be made in United States currency at the prevailing exchange rate at the time the insured became legally obligated to pay such sums.

#### 6. Duties in the Event of "Occurrence", Offense, Claim or "Suit"

- a. You must see to it that we are notified as soon as practicable of any "occurrence" or offense to which this insurance may apply. Notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature of any injury or damage arising out of the "occurrence" or offense.
- b. You will cooperate with the "underlying insurer" as required by the terms of their policies and comply with all terms and conditions of those policies.
- c. If a claim is made or "suit" is brought against any insured to which this

insurance may apply, you must see to it that we receive written notice of the claim or "suit" as soon as practicable.

d. You and any other involved insured must:

- (1) Send us copies as soon as practicable of any demands, notices, summonses or legal papers received in connection with the claim or "suit" to which this insurance may apply;
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit";
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which in our opinion may be liable to an insured because of injury or damage to which this insurance applies;
- (5) Notify us as soon as practicable of any judgment or settlement of any claim or "suit" brought against any insured; and
- (6) Not voluntarily make a payment, assume any obligation or incur any expense without our consent, except at that insured's own cost.

#### 7. Examination of Your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward. We have the right to make copies of those books and records.

#### 8. First Named Insured

The person or organization first named in Item 1. of the Declarations is responsible for the payment of all premiums, the receiving of return premiums, the receipt and acceptance of this policy and any endorsements, and will act on behalf of all other insureds for the giving and receiving of notice of cancellation or any other notice required under this policy or by statute or regulation.

#### 9. Inspections and Surveys

- a. We have the right but not the duty to:
  - (1) Make inspections and surveys at any time;
  - (2) Give you reports on the conditions we find; and
  - (3) Recommend changes.
- b. Any inspections, surveys, reports or recommendations relate only to

insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions:

- (1) Are safe or healthful; or
- (2) Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

#### 10. Joint Duties in Non-Admitted Jurisdictions

With respect to an "occurrence", offense, claim or "suit" that arises in a non-admitted jurisdiction and to which this insurance applies:

- a. If we are prevented by law in any country or jurisdiction from fulfilling our duty to defend you or to investigate claims, you will be responsible for arranging for the defense or investigation under our supervision. We will reimburse you for all reasonable and necessary expense incurred which we would have paid if we had defended the "suit" or investigated the claim; and
- b. If we are prevented by law in any country or jurisdiction from paying damages to which this insurance applies, you may pay the damages with our consent. Upon proof of the payments, we will reimburse you for such damages subject to the applicable Limit of Insurance.

#### 11. Legal Action Against Us

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial, but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the Limits of Insurance.

An agreed settlement means a settlement and release of liability signed by us, an insured

and the claimant or the claimant's legal representative.

#### 12. Maintenance of "underlying insurance"

- a. You agree to maintain the "underlying insurance" in full force and effect during the term of this policy. "underlying insurance" will not be cancelled, non-renewed or rescinded without replacement coverage to which we agree. You must notify us as soon as practicable if any "underlying insurance" is no longer valid or in full force and effect.
- b. The terms and conditions of "underlying insurance" will not materially change, unless we agree otherwise. The terms and conditions or renewals or replacements of "underlying insurance" will be materially the same as prior coverage unless we agree otherwise.
- c. The total applicable limits of "underlying insurance" shall not decrease, except for any reduction or exhaustion of aggregate limits by payment of loss. Reduction or exhaustion of any aggregate limit of liability or limit of insurance in any "underlying insurance" by payments for judgments, settlements or expense will not be a failure to maintain "underlying insurance" in full force and effect.
- d. No statement contained in this Condition limits our right to cancel or not renew this policy.
- e. Your failure to comply will not invalidate this policy, but this policy will apply as if the "underlying insurance" was so maintained.

#### 13. Other Insurance

- a. This insurance is excess over any "other insurance", whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically purchased as excess over this policy.
- b. We have no duty to defend the insured against any claim or "suit" if any other insurer has a duty to defend such insured against that claim or "suit".
- c. This insurance is not subject to the terms or conditions of any "other insurance".
- d. We will pay only our share of the amount of loss, if any, that exceeds the sum of the total:
  - (1) Amount that all "other insurance" would pay for loss in the absence of this insurance; and

- (2) Of all deductible and self-insurance amounts under all “other insurance”.

#### 14. Premium Audit

- a. We will compute all premiums for this policy in accordance with our rules, rates, rating plans, premiums and minimum premiums applicable to this insurance.
- b. If the premium for this policy is stated in the Declarations as being subject to adjustment, at the close of each audit period, we will compute the earned premium for that period using the rates and rating basis shown on the Declarations or as stated in an endorsement issued by us. Audit premiums are due and payable on notice to the first Named insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured, but not if such audit premium is less than the minimum premium shown in the Declarations.
- c. The first Named Insured must keep records of the information we need for premium computation and send us copies as we may request.

#### 15. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

If unintentionally you should fail to disclose all hazards at the inception of this policy, we shall not deny coverage under this policy because of such failure.

#### 16. Separation of Insureds

Except with respect to the Limits of Insurance and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or “suit” brought.

#### 17. Titles of Paragraphs

The titles of paragraphs in this policy are inserted solely for convenience or reference. Such titles do not limit, define or affect the provisions to which they relate.

#### 18. Transfer of Rights of Recovery Against Others to Us

If an insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. An insured must do nothing after loss to impair such rights. At our request, an insured will bring “suit” or transfer those rights to us and help us enforce them.

Any recoveries will be apportioned in the inverse order of payment of loss to the extent of actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of their respective recoveries.

#### 19. Transfer of Your Rights and Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent.

If you die, your rights and duties are transferred to your legal representative, but only while that legal representative is acting within the scope of their duties as such. Until your legal representative is appointed, anyone with proper temporary custody of your property will have your rights and duties but only with respect to that property.

### IX. DEFINITIONS

Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella**

1. **“Advertisement”** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purpose of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. **“Advertising Injury”** means injury, including consequential “bodily injury”, arising out of one or more of the following offenses:
  - a. The use of another’s advertising idea in your “advertisement”; or
  - b. Infringing upon another’s copyright or slogan in your “advertisement”.
3. **“Auto”** means:
  - a. A land motor vehicle, trailer or semi-trailer designed for travel on public roads,

including any attached machinery or equipment; or

- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

4. **"Bodily injury"** means bodily injury, sickness or disease sustained by a person including death resulting from any of these at any time. "Bodily injury" includes mental anguish or other mental injury resulting from "bodily injury".
5. **"Employee"** includes a "leased worker". "Employee" does not include a "temporary worker".
6. **"Executive Officer"** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. **"Impaired property"** means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of the contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.
8. **"Insured contract"** means:
  - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement;

- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume, the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
  - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
    - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
  - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in paragraph (2) above and supervisory, inspection or engineering activities.
9. **"Leased Worker"** means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
  10. **"Loading or Unloading"** means the handling of property:
    - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
    - b. While it is in or on an aircraft, watercraft or "auto"; or



- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**11. "Mobile Equipment"** means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, fork-lifts and other vehicles designed by use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shoves, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos".

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck

chassis and used to raise or lower workers; and

- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**12. "Nuclear Energy Hazard"**

Any liability or expense:

- a. With respect to which an insured under this policy is also an insured under a nuclear energy policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any other similar foreign or domestic authority of any jurisdiction, or their successors, or would be an insured under any such policy of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- b. Resulting from the hazardous properties of nuclear material and with respect to which:
  - (1) Any person or entity is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, of any law amendatory thereof or of any similar law or regulation of any other foreign or domestic authority or jurisdiction; or
  - (2) Any insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America or any other foreign or domestic governmental entity or any agency thereof, under any agreement entered into by the United States of America, any other foreign or domestic governmental body or any agency thereof, with any person or organization.
- c. To "bodily injury" or "property damage" resulting from the hazardous properties of nuclear material, if:
  - (1) The nuclear material:

- (a) Is at any nuclear facility owned by or operated by or on behalf of an insured or,
- (b) Has been discharged or dispersed there from.
- (2) The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
- (3) The “bodily injury” or “property damage” arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this paragraph c. applies only to “Property Damage” to such nuclear facility and any property thereat.

As used in this definition:

“Hazardous properties” include radioactive, toxic or explosive properties.

“Nuclear material” means source material, special nuclear material, or by-products material.

“Source material”, “special nuclear material”, and “by-product material” have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

“Spent fuel” means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor.

“Waste” means any waste material:

- (1) Containing by-product material other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content.
- (2) Resulting from the operation by any person or organization of any nuclear facility included under the first two paragraphs of the definition of nuclear facility.

“Nuclear facility” means:

- (1) Any nuclear reactor; or
- (2) Any equipment or device designated or used for:
  - (a) Separating the isotopes of uranium or plutonium; or

- (b) Processing or utilizing spent fuel; or
- (c) Handling, processing or packaging nuclear waste; or
- (3) Any equipment or device used for processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of an insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
- (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste; and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

“Nuclear reactor” means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

“Property damage” includes all forms of radioactive contamination of property.

- 13. “**Occurrence**” means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 14. “**Other Insurance**” means any insurance that may provide coverage to any insured which this policy would also provide, and includes any type of self-insurance or other mechanism arranged for funding of loss. “Other insurance” does not include “underlying insurance” or insurance specifically purchased as excess over this policy.
- 15. “**Personal Injury**” means injury, including consequential “bodily injury”, arising out of one or more of the following offenses:
  - a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;



- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

**16. "Pollutants"** mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**17. "Products-Completed Operations Hazard"**

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
  - (1) Products that are still in your physical possession; or
  - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
    - (a) When all of the work called for in your contract has been completed.
    - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
    - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:
  - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
  - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
  - (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed

operations are subject to the General Aggregate Limit.

**18. "Property Damage" means:**

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

**19. "Retained Limit" means the amount stated as such in the Declarations for which the insured is responsible with respect to each "occurrence" under Coverage B – Umbrella Liability.**

**20. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" also includes:**

- a. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

**21. "Temporary Worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.**

**22. "Underlying insurance" means the liability insurance coverage provided under policies shown in the Schedule of Underlying Insurance for the limits and policy periods indicated. It includes any policies issued to replace those policies during the term of this insurance that provide:**

- a. At least the same limits of liability or limits of insurance; and
- b. The same hazards insured against, except as modified by general program revisions or as agreed to by us in writing.

**23. "Underlying Insurer" means any insurer who issues a policy of "underlying insurance".**

**24. "Unmanned aircraft" means an aircraft that is not:**

- a. Designed;

- b. Manufactured; or
  - c. Modified after manufacture;
- to be controlled directly by a person from within or on the aircraft.

**25. "War" means:**

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**26. "Your Product"**

- a. Means:
  - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
    - (a) You;
    - (b) Others trading under your name; or
    - (c) A person or organization whose business or assets you have acquired; and

- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.

- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

**27. "Your Work"**

a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – PROFESSIONAL LIABILITY  
(COVERAGE A)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph **2**. Applicable to **Coverage A – Follow Form Excess Liability** only:

This insurance does not apply to:

**Professional Services**

Any liability or expense arising out of the rendering of or failure to render any professional service, advice or instruction by you or on your behalf, or from whom any of you assumed liability by reason of a contract or agreement, regardless of whether any such service, advice or instruction is ordinary to any insured's profession.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ILLINOIS CHANGES

This endorsement modifies insurance provided under the following:

### HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A.** The term "spouse", wherever found within this policy, is replaced by the following:

Spouse or party to a civil union recognized under Illinois law.

- B.** The following is added to section **II. DEFENSE AND SETTLEMENT**, paragraph **1. Coverage A – Follow Form Excess Liability Defense and Settlement**, and paragraph **2. Coverage B – Umbrella Liability Defense and Settlement**:

1. The provisions of paragraph **2.** Below are added to all Insuring Agreements that set forth a duty to defend. Paragraph **2.** also applies to any other provision in the policy that sets forth a duty to defend.

2. If we initially defend an insured ("insured") or pay for an insured's ("insured's") defense but later determine that the claim(s) is (are) not covered under this insurance, we will have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement for the defense costs under this provision will only apply to defense costs we have incurred after we notify such insured ("insured") in writing that there may not be coverage, and that we are reserving our rights to terminate the defense and seek reimbursement for defense costs.

- C.** Section **VII. EXCLUSIONS**, paragraph **3.** Applicable to **Coverage B – Umbrella Liability** only, subparagraph **I. Punitive Damages** is replaced by the following:

**I. Punitive Damages**

Any sum awarded for punitive damages, exemplary damages, multiplied damages, taxes, fines or penalties.

Should "suit" be brought against an insured for which coverage is provided herein and such "suit" seek both compensatory and punitive or exemplary damages, then we will afford a defense to such "suit" without liability, however, for such punitive or exemplary damages.

- D.** Section **VIII CONDITIONS**, paragraph **3. Cancellation and Non-Renewal** is replaced by the following:

**3. Cancellation and Non-Renewal**

- a** The first Named Insured shown in the Declarations may cancel this policy by mailing to us advance written notice of cancellation.
- b.** We may cancel this policy by mailing to you, written notice stating the reason for cancellation. If we cancel:
  - (1) For nonpayment of premium, we will mail the notice at least 10 days prior to the effective date of cancellation.
  - (2) For a reason other than nonpayment of premium, we will mail the notice at least:
    - (a) 30 days prior to the effective date of cancellation if the policy has been in effect for 60 days or less.
    - (b) 60 days prior to the effective date of cancellation if the policy has been in effect for more than 60 days.
- c.** If this policy has been in effect for more than 60 days or is a renewal or continuation policy, we may cancel only for one or more of the following reasons:
  - (1) Nonpayment of premium;
  - (2) The policy was obtained through a material misrepresentation;
  - (3) Any insured has violated any of the terms and conditions of the policy;
  - (4) The risk originally accepted has measurably increased;
  - (5) Certification to the Director of Insurance of the loss of reinsurance by the insurer that provided coverage to us for all or a substantial part of the underlying risk insured; or
  - (6) A determination by the Director of Insurance that the continuation of the policy could place us in violation of the insurance laws of this State.

- d. We will mail our notice to you, at your last mailing address known to us. Proof of mailing will be sufficient proof of notice.
- e. Notification of cancellation will also be sent to your broker, if known, or agent of record, if known.
- f. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- g. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be less than pro rata. The cancellation will be effective even if we have not offered a refund.
- h. If we decide not to renew or continue this policy, we will mail you written notice, stating the reason for nonrenewal, at least:
  - (1) 60 days before the end of the policy period for all policies other than those described in **f.(2)**; or
  - (2) 30 days before the end of the policy period for all commercial excess and umbrella liability policies as defined in 215 ILL. COMP. STAT. 143.13.(h). The nonrenewal shall not become effective until at least 30 days from the proof of mailing date of the notice to you.
- b. Proof of mailing will be sufficient proof of notice.
- c. Notification of nonrenewal will also be sent to your broker, if known, or agent of record, if known.
- i. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
- j. If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.
- k. We will mail cancellation and nonrenewal notices to you, and the agent or broker, at the last addresses known to us. Proof of mailing will be sufficient proof of notice.

For the purposes of Paragraph **f.(2)**, commercial excess and umbrella liability policies are defined in 215 ILL. COMP. STAT. 143.13.(h) as follows:

- (h) "Commercial excess and umbrella liability policy" means a policy written over one or more underlying policies for an insured:
  - (1) that has at least 25 full-time employees at the time the commercial excess and umbrella liability policy is written and procures the insurance of any risk or risks, other than life, accident and health, and annuity contracts, as described in clauses (a) and (b) of Class 1 of Section 4 and clause (a) of Class 2 of Section 4, by use of the services of a full-time employee acting as an insurance manager or buyer; or
  - (2) whose aggregate annual premiums for all property and casualty insurance on all risks is at least \$50,000.

**E. The following is added to section VIII. CONDITIONS:**

**Right to Claim Information**

- a. If required by applicable law or regulation, and subject to paragraph e. below, we will provide the first Named Insured shown in the Declarations, within thirty (30) days of the insured's written request or at the same time as any notice of cancellation or nonrenewal, the following information relating to this and any preceding claims-made insurance we have issued to you during the previous three years:
  - (1) Information concerning closed claims limited to the date and description of claims, total amount of payments and total reserves, if any; and
  - (2) Information concerning open claims limited to the date and description of claims, total amount of payments and total reserves, in any; and
  - (3) Information concerning claims not included in subparagraphs (1) and (2) above limited to the date and description of claims and total reserves, if any.
- b. Subject to paragraph e. below, we will provide the first Named Insured shown in the Declarations, within twenty (20) days after receipt of written request by the Named Insured, detailed claims information in addition to that provided under paragraph a. above, including specific reserve amounts.
- c. Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values. You must not disclose this information to any claimant or claimant's representative without our consent.
- d. We compile claim information for our own business purposes and exercise reasonable

care in doing so. In providing this information to the first Named Insured we make no representations or warranties.

- e. We will not provide the information included in paragraphs **a.** and **b.** above if this policy has been cancelled for nonpayment or premium, material misrepresentations or fraud on the part of the insured.

Cancellation or nonrenewal will be effective even if we inadvertently fail to provide this information, or provide inaccurate or incomplete information.

- F. The following is added to any **Extended Reporting Period**:

The percentage in the table relating to length of Extended Reporting Period will be applied to the expiring annual premium.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – LEAD (COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

### **Lead**

Any liability or expense arising out of any actual or alleged presence of or exposure to lead including but not limited to:

- (1) Inhaling, ingesting or prolonged physical exposure by any person to any premises, structure, goods or products containing lead;
- (2) The use of lead in constructing or manufacturing any good, product or structure;

- (3) Intentional or accidental removal including encapsulation, dispersal, sealing or disposal of any good, product or structure containing lead;
- (4) The manufacturing, transportation, storage or disposal of goods or products containing lead;
- (5) Any product manufactured, sold, handled or distributed by or on behalf of the insured which contains lead; or
- (6) Acts or omissions of the insured in connection with the general supervision of any job involving the removal, enclosure, encapsulation, dispersal, sealing, or disposal of products or materials containing lead.

General supervision includes the rendering of or failure to render any instructions, recommendations, warnings, or advice.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A.** The following exclusion is added to section **VII. EXCLUSIONS**, paragraph **1**. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

### **Terrorism Punitive Damages**

Damages arising, directly or indirectly, out of a "certified act of terrorism" which are awarded as punitive damages.

- B.** For the purpose of this endorsement, the following definition is added to section **IX. DEFINITIONS**:

**"Certified act of terrorism"** means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Insurance Act, to be an act of terrorism pursuant such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

- a.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  - b.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – FUNGI OR BACTERIA LIABILITY (COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph **1**. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

### **Fungi or Bacteria**

Any liability or expense arising out of “fungi” or bacteria which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any “fungi” or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product

contributed concurrently or in any sequence to such injury or damage.

- (1) This exclusion also applies to any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, “fungi” or bacteria, by you or by any other person or entity.
- (2) For the purposes of this exclusion, “fungi” means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by “fungi”.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – SILICA (COVERAGE A AND B)

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

**“Silica” or “Silica-Related Dust”**

Any liability or expense arising out of any actual, alleged, threatened or suspected:

- (1) Inhalation of, or ingestion of, “silica” or “silica-related dust”;
- (2) Threatened or suspected contact with, exposure to, existence of, or presence of, “silica” or “silica-related dust”; or

- (3) Any loss cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, “silica” or “silica-related dust”, by any insured or by any other person or entity.

For the purpose of this exclusion, the following definitions are added:

**“Silica”** means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.

**“Silica-related dust”** means a mixture or combination of silica and other dust or particles.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – TOTAL POLLUTION WITH HOSTILE FIRE EXCEPTION (COVERAGE A)

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A. Section VII. EXCLUSIONS, paragraph 2.**  
Applicable to **Coverage A – Follow Form Excess**  
Only, subparagraph a. is replaced by the following:

This insurance does not apply to:

**a. Pollution**

- (1) Any liability or expense which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release, or escape of “pollutants” at any time.
- (a) This exclusion does not apply to “bodily injury” or “property damage” arising out of heat, smoke or fumes from a “hostile fire” unless that “hostile fire” occurred or originated:
  - (i) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or
  - (ii) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured’s behalf are performing operations to test for,

monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to, or assess the effects of “pollutants”;

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, “pollutants”; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way respond to, or assess the effects of “pollutants”.

- B. For the purpose of this exclusion, the following definition is added to section IX DEFINITIONS:**

**“Hostile fire”** means one which becomes uncontrollable or breaks out from where it was intended to be.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ILLINOIS EXCLUSION – ABUSE AND MOLESTATION  
(COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

**Abuse and Molestation**

Any liability or expense arising out of the actual or threatened abuse or molestation by anyone of any person regardless whether the abuse or molestation was specifically intended or resulted from negligent conduct and regardless whether any insured subjectively intended the injury or damage for which a claim is made.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – DISCRIMINATION (COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

### **Discrimination**

Any liability or expense arising out of discrimination or humiliation based upon, but not limited to:

- |                         |   |
|-------------------------|---|
| (1) Age;                | (5) Race;   |
| (2) Gender;             | (6) Nationality;  |
| (3) Sexual orientation; | (7) National origin;  |
| (4) Marital Status;     | (8) Religion;   |
|                         | (9) Creed;  |
|                         | (10) Mental capabilities or condition;  |
|                         | (11) Physical capabilities, characteristics or condition;<br>or   |
|                         | (12) Any violation of a local, state, federal or foreign<br>law or regulation relating to discrimination. |

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – EMPLOYEE BENEFITS LIABILITY (COVERAGE B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A.** The following is added to section **VII. EXCLUSIONS**, paragraph **3**. Applicable to **Coverage B – Umbrella Liability** only:

This insurance does not apply to:

**Employee Benefits Liability**

Any liability or expense arising out of the “administration” of an “insured’s employee benefit program”.

- B.** For the purposes of this endorsement, the following definitions are added to section **IX. DEFINITIONS**:

“**Administration**” means:

- a.** Giving counsel to employees with respect to “employee benefit programs”;

- b.** Interpreting “employee benefit programs”;

- c.** Handling of records in connection with “employee benefits programs”; and

- d.** Effecting enrollment of employees under “employee benefit programs”.

“**Employee benefit program**” means life insurance, accident or health insurance, pension plans, workers’ compensation, unemployment insurance, social security and disability benefits, investment programs, loan or financial assistance programs, and any other similar benefit program.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

UHC D713545 01  
1309516  
Original Insured

SUPERIOR KNIFE LLC

1225 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007

SUPERIOR KNIFE LLC  
1225 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007

SUPERIOR KNIFE LLC

1225 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007

THIS NOTICE IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT, AS AMENDED. THIS NOTICE DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THIS POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

## NOTICE – ACCEPTANCE OF TERRORISM COVERAGE AND DISCLOSURE OF PREMIUM

### Schedule

<b>Disclosure of Premium:</b>	
Total Terrorism Premium	\$ 75
Fire Following Premium	\$
Other than Fire Following Premium	\$

Coverage for “acts of terrorism,” as defined in Section 102(1) of the Terrorism Risk Insurance Act (“Act”) is included in your policy. You are hereby notified that under the Act, as amended in 2015, the definition of “act of terrorism” is:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States’ government by coercion.

### Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

### Cap on Insurer Participation in Payment of Terrorism Losses

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers’ liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

THIS NOTICE IS PROVIDED IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS NOTICE DOES NOT GRANT COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF COVERAGE UNDER THE POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

### Schedule

<b>Disclosure of Premium:</b>	
Total Terrorism Premium	\$ 75
Fire Following Premium	\$
Other than Fire Following Premium	\$

### Disclosure of Terrorism Coverage Available

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from "acts of terrorism" defined in Section 102(1) of the Act as follows:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

The premium charged for this coverage is provided in the Schedule above and does not include any charges for the portion of loss that may be covered by the Federal Government as described below.

Your policy may contain other exclusions which could affect your coverage, such as an exclusion for Nuclear Events or Pollution. **Please read your policy carefully.**

### Note for Commercial Property or Commercial Inland Marine Policyholders in Standard Fire States:

In your state, a terrorism exclusion makes an exception for (and therefore provides coverage for) fire losses resulting from an act of terrorism. If you reject the offer of terrorism coverage, therefore, that rejection does not apply to fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy. The additional premium just for such fire coverage is shown in the Schedule above.

### Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

**Cap on Insurer Participation in Payment of Terrorism Losses**

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers' liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**Rejection of Terrorism Insurance Coverage**

☐ I decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

\_\_\_\_\_  
Applicant/Policyholder Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Hanover Insurance Company

\_\_\_\_\_  
Insurance Company

\_\_\_\_\_  
UHC D713545 01

\_\_\_\_\_  
Quote or Policy Number





RENEWAL OF POLICY UHC D713545 00

**COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY**

**THESE DECLARATIONS, TOGETHER WITH THE COVERAGE FORM(S) AND ANY ENDORSEMENT(S),  
COMPLETE THE BELOW NUMBERED POLICY.**

POLICY NUMBER: UHC D713545 01  
COMPANY: Hanover Insurance Company

**DECLARATIONS**

**Item 1. Named Insured and Address**  
(No., Street, Town, County, State)

**Agent**

SUPERIOR KNIFE LLC  
1225 ARTHUR AVE  
ELK GROVE VILLAGE IL 60007

1309516  
ACRISURE LLC DBA PRESIDIO  
55 SHUMAN BLVD STE 900  
NAPERVILLE IL 60563

**Item 2. Policy Period:** (Month, Day, Year)

From 10/01/2019 To 10/01/2020

12:01 A. M., standard time at the address of the Named Insured as stated herein.

**Form of Business:**

- ☐ Individual
 ☐ Partnership
 ☐ Corporation
 ☒ Limited Liability Company  
☐ Organization (Other than Partnership, Joint Venture or Limited Liability Company)

**Business Description: Knife Sharpening Company**

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY. THIS PREMIUM MAY BE SUBJECT TO AUDIT.

**Item 3. Limit of Insurance**

<b>Each Occurrence or Each Claim Limit:</b>	\$2,000,000
<b>Products – Completed Operations Aggregate Limit:</b>	\$2,000,000
<b>General Aggregate Limit</b>	\$2,000,000

<b>Retained Limit:</b>	\$0
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**Item 4. Premium Computation:**

<b>Estimated Annual Premium</b>	\$3,318.00
<b>Premium Surcharges</b>	\$
<b>(Premium Surcharges NOT APPLICABLE in New York)</b>	
<b>Annual Minimum Premium</b>	\$3,318.00
<b>Advance Premium</b>	\$3,318.00

**Endorsements:**

See next page



- ☐ PREPAID - the total annual premium is due at inception.
- ☐ HANOCASH - the annual premium is payable according to the term of the Hanocash endorsement attached.
- ☐ ACCOUNT BILL    ☒ DIRECT BILL    ☐ Annual    ☐ Semi-Annual    ☐ Other

Audit period: Non Auditable Unless indicated by    ☐ Annual    ☐ Semi-Annual    ☐ Other

If you cancel this policy, we shall receive and retain not less than NIL as a policy minimum premium.



### Forms Applicable To This Policy:

\*Asterisk denotes new or changed form

<u>Form Number</u>	<u>Form Edition</u>	<u>Description</u>
331-0053	08/16	Illinois Inquiry Notice
401-1127	01/15	Notice - Acceptance Of Terrorism Coverage and Disclosure Of Premium
401-1337	02/16	Trade Or Economic Sanctions Endorsement
* 401-1374	01/15	Offer Disclosure Pursuant To Terrorism Risk Insurance Act
401-1377	12/14	Company Address Listing
401-1379	12/14	Illinois Inquiry Notice
475-0001	01/18	Hanover Commercial Follow Form Excess And Umbrella Policy
475-0031	12/14	Exclusion - Professional Liability (Coverage A)
475-0038	08/18	Illinois Changes
475-0057	12/14	Exclusion - Lead (Coverage A and B)
475-0066	01/15	Cap on Losses From Certified Acts of Terrorism
475-0070	01/15	Exclusion of Punitive Damages Related To A Certified Act Of Terrorism
475-0080	12/14	Exclusion - Fungi Or Bacteria Liability (Coverage A and B)
475-0084	12/14	Exclusion - Silica (Coverage A and B)
475-0092	12/14	Exclusion - Total Pollution With Hostile Fire Exception (Coverage A)
475-0100	12/14	Illinois Exclusion - Abuse and Molestation (Coverage A and B)
475-0215	12/14	Exclusion - Discrimination (Coverage A and B)
475-0351	12/14	Exclusion - Employee Benefits Liability (Coverage B)
SIG 11 00	11/17	Signature Page



## SCHEDULE OF UNDERLYING POLICIES

**Insured:** SUPERIOR KNIFE LLC

**Effective on and after** 10/01/2019 12:01 A.M. Standard Time

**This Schedule is part of Policy Number:** UHC D713545 01

CARRIER, POLICY NUMBER & PERIOD	TYPE OF POLICY	APPLICABLE LIMITS OR AMOUNT OF INSURANCE	
(a) Carrier: CITIZENS INSURANCE COMPANY OF ILLINOIS Policy Number: ZCC D713544 01 Policy Period: 10/01/2019 TO 10/01/2020	Commercial General Liability	\$1,000,000	Occurrence/ Each Claim
	<input type="checkbox"/> Owned Autos	\$1,000,000	Personal Injury
	<input type="checkbox"/> Non-owned & Hired Autos	\$1,000,000	Advertising Injury
		\$2,000,000	General Aggregate
		\$2,000,000	Product/Completed Operations Aggregate
(b) Carrier: ALLMERICA FINANCIAL BENEFITS  Policy Number: AWC D713201 01 Policy Period: 10/01/2019 TO 10/01/2020	Comprehensive Automobile Liability including	Bodily Injury and Property Damage Liability Combined:	
	<input checked="" type="checkbox"/> Owned Autos	\$1,000,000	Each Accident
	<input checked="" type="checkbox"/> Non-Owned & Hired Autos	Bodily Injury	
		\$	Each Person
		\$	Each Accident
(c) Carrier:  Policy Number: Policy Period:	Garage Liability	Bodily Injury and Property Damage Liability Combined:	
	<input type="checkbox"/> Dealers		Each Accident
	<input type="checkbox"/> Service	Garage Operations	
		\$	Auto Only
		\$	Other than Auto Only
(d) Carrier: CITIZENS INSURANCE COMPANY OF ILLINOIS Policy Number: WCC D689285 01 Policy Period: 10/01/2019 TO 10/01/2020	Standard Workers' Compensation & Employers' Liability	<b>Coverage B – Employers Liability</b>	
		Bodily Injury by Accident	
		\$500,000	Each Accident
		Bodily Injury by Disease	
		\$500,000	Each Employee
	<b>NEW YORK ONLY:</b> The Umbrella Coverage for Workers' Compensation and Employers Liability is not applicable in situations where an employee is subject to the New York Workers' Compensation Law.	\$500,000	Aggregate

An "X" marked in the box provided indicates these broadening or optional coverage are provided in the Underlying Insurance



(e) Carrier: Policy Number: Policy Period:	Liquor Liability	\$ \$ \$ \$	Each Common Cause Other Aggregate Other
(f) Carrier: Policy Number: Policy Period:	Professional Liability	\$ \$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate Other
(g) Carrier: Policy Number: Policy Period:	Directors & Officers Liability	\$ \$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate Other
(h) Carrier: Policy Number: Policy Period:	Stop Gap Liability	Bodily Injury by Accident \$ Bodily Injury by Disease \$ \$	Each Accident Each Employee Aggregate
(i) Carrier: Policy Number: Policy Period:	Abuse and Molestation	\$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate
(j) Carrier: Policy Number: Policy Period:	Foreign	\$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate
(k) Carrier: CITIZENS INSURANCE COMPANY OF ILLINOIS Policy Number: ZCC D713544 01 Policy Period: 10/01/2019 TO 10/01/2020	Employee Benefits Liability	\$ \$1,000,000 \$ \$3,000,000	Each Occurrence Each Claim Other Aggregate
(l) Carrier: Policy Number: Policy Period:	Other	\$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate

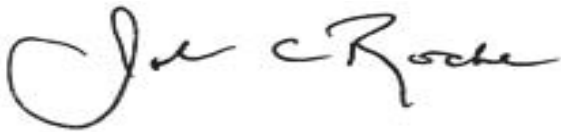
An "X" marked in the box provided indicates these broadening or optional coverage are provided in the Underlying Insurance

Countersigned By: \_\_\_\_\_  
Authorized Representative of the Company

Date: \_\_\_\_\_

THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

**In Witness Whereof**, this company has caused this policy to be signed by its President and Secretary and countersigned on the declarations page, where required, by a duly authorized agent of the company.

A handwritten signature in black ink, appearing to read "John C. Roche". The signature is fluid and cursive, with the first name "John" being more prominent.

John C. Roche  
President

A handwritten signature in black ink, appearing to read "Charles F. Cronin". The signature is cursive, with the first name "Charles" being more prominent.

Charles Frederick Cronin  
Secretary



## **ILLINOIS INQUIRY NOTICE**

In accordance with Illinois statute 215 ILCS 5/143c, the following information is provided:

This notice is to advise you that should any complaints arise regarding this insurance, you may contact the following:

The Hanover Insurance Company, Massachusetts Bay Insurance Company, Citizens Insurance Company of America, Citizens Insurance Company of Midwest, Citizens Insurance Company of Illinois, Allmerica Financial Benefit Insurance Company, Allmerica Financial Alliance Insurance Company and The Hanover American Insurance Company, complaint department for policies written through agencies located in the state of Illinois is:

**Complaint Department  
The Hanover Insurance Group  
333 W. Pierce Road  
Suite 300  
Itasca, Illinois 60143  
1-800-685-5669**

The address of the Consumer Division or Public Services Section of the Illinois Department of Insurance is:

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
320 W. Washington Street  
Springfield, Illinois 62767  
Or**

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
122 S Michigan Ave 19<sup>th</sup> Floor  
Chicago, IL 60603  
1-312-814-2420**

**Or**

**<http://insurance.illinois.gov>**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **TRADE OR ECONOMIC SANCTIONS ENDORSEMENT**

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

## IMPORTANT INFORMATION ABOUT YOUR INSURANCE COMPANY

The Home Office address for the Insurance Company shown on the policy Declarations page is:

**Allmerica Financial Alliance Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**The Hanover American Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Allmerica Financial Benefit Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**The Hanover Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Campmed Casualty & Indemnity Company, Inc.**  
(A Stock Company)  
12100 Sunset Hills Road, Suite 300  
Reston, VA 20190-3295

**Hanover Lloyds Insurance Company**  
(A Texas Lloyd's Plan Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of America**  
(A Stock Company)  
808 North Highlander Way  
Howell, MI 48843-1070

**Massachusetts Bay Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of Illinois**  
(A Stock Company)  
333 West Pierce Road, Suite 300  
Itasca, IL 60143-3114

**The Hanover New Jersey Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of the Midwest**  
(A Stock Company)  
9229 Delegates Row, Suite 100  
Indianapolis, IN 46240-3824

**Verlan Fire Insurance Company**  
(A Stock Company)  
440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of Ohio**  
(A Stock Company)  
1300 East 9th Street, Suite 1010  
Cleveland, OH 44114-1506

## **ILLINOIS INQUIRY NOTICE**

In accordance with Illinois statute 215 ILCS 5/143c and 50 IL Adm. Code 753, the following information is provided:

Hanover Insurance Company is a stock company with a corporate office at 440 Lincoln Street, Worcester, MA 01653.

This notice is to advise you that should any complaints arise regarding this insurance, you may contact the following:

The Hanover Insurance Company, Massachusetts Bay Insurance Company, Citizens Insurance Company of America, Citizens Insurance Company of Illinois and Allmerica Financial Benefit Insurance Company, complaint department for policies written through agencies located in the state of Illinois is:

**Complaint Department  
The Hanover Insurance Group  
333 W. Pierce Road Suite 300  
Itasca, Illinois 60143  
1-800-685-5669**

The address of the Consumer Division or Public Services Section of the Illinois Department of Insurance is:

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
320 W. Washington Street  
Springfield, Illinois 62767  
866-445-5364**

# HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

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## HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

Various provisions of this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

We will not pay sums or perform acts or services unless explicitly provided for in this policy.

Throughout this policy the words **you** and **your** refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy. The words **we**, **us** and **our** refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to the Definitions Section of this policy.

### I. INSURING AGREEMENTS

#### 1. Coverage A – Follow Form Excess Liability Insuring Agreement

- a. We will pay on behalf of the insured those sums in excess of the “underlying insurance” which the insured becomes legally obligated to pay as damages, provided:

- (1) Such damages are covered by “underlying insurance”;
- (2) The event which triggers coverage on the “underlying insurance” takes place during the policy period of this insurance, and
- (3) The applicable Limit of Insurance of the “underlying insurance” is exhausted by payment of judgments, settlements, related costs or expenses for damages also covered under this policy. We will not pay if the Limit of Insurance of “underlying insurance” is exhausted by payment for damages to which this insurance does not also apply.

- b. We will not pay damages that the “underlying insurance” does not pay for any reason other than exhaustion of limits of the “underlying insurance” by payment of judgments, settlements, related costs or expenses.

- c. The terms and conditions of the “underlying insurance” in effect at the inception of this policy apply unless they are inconsistent with the terms and conditions of this policy.

- d. The amount we will pay for damages is limited as described in section **VI. LIMITS OF INSURANCE**.

- e. We have no obligation under this insurance with respect to any claim or “suit” settled without our consent.

- f. This policy does not apply to any part of loss within the Limit of Insurance of “underlying insurance”, or any related costs or expenses.

- g. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under section

### II. DEFENSE AND SETTLEMENT AND SECTION V. SUPPLEMENTAL PAYMENTS.

#### 2. Coverage B – Umbrella Liability Insuring Agreement

- a. We will pay on behalf of the insured those sums in excess of the “retained limit” shown in the Declarations which the insured becomes legally obligated to pay as damages because of “bodily injury”, “property damage”, “personal injury” and “advertising injury” to which this coverage applies, provided:

- (1) The:

- (a) “Bodily injury” or “property damage” is caused by an “occurrence”; or
- (b) “Personal injury” and “advertising injury” is caused by an offense arising out of your business;

Which took place within the coverage territory as described in section **IV. COVERAGE TERRITORY**;

- (2) The “bodily injury” or “property damage” occurs during the policy period, and the offense causing “personal injury” or “advertising injury” is first committed during our policy period; and



- (3) Prior to the policy period, no insured and no “employee” authorized by you to give or receive notice of an “occurrence”, offense or claim, knew that the “bodily injury”, “property damage”, “personal injury” or “advertising injury” had occurred, in whole or in part. If such an insured or authorized “employee” knew, prior to the policy period, that the “bodily injury”, “property damage”, “personal injury” or “advertising injury” occurred, then any continuation, change or resumption of such “bodily injury”, “property damage”, “personal injury” or “advertising injury” during or after the policy period will be deemed to have been known prior to the policy period.

However, “bodily injury”, “property damage”, “personal injury” or “advertising injury” which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured or by any “employee” authorized by you to give or receive notice of an “occurrence”, offense or claim, includes any continuation, change or resumption of that “bodily injury”, “property damage”, “personal injury” or “advertising injury” after the end of the policy period.

- b. “Bodily injury”, “property damage”, “personal injury” or “advertising injury” will be deemed to have been known to have occurred at the earliest time when any insured, or any “employee” authorized by you to give or receive notice of an “occurrence”, offense or claim:
- (1) Reports all or any part of the “bodily injury”, “property damage”, “personal injury” or “advertising injury” to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the “bodily injury”, “property damage”, “personal injury” or “advertising injury”; or
  - (3) Becomes aware by any other means that “bodily injury”, “property damage”, “personal injury” or “advertising injury” has occurred or has begun to occur.
- c. **Coverage B – Umbrella Liability Insuring Agreement** does not apply to:
- (1) Any claim or “suit” which is covered by “underlying insurance” regardless of

whether or not the “underlying insurance” is available or the limits have been exhausted;

- (2) Any claim or “suit” covered by **Coverage A – Follow Form Excess Liability Insurance** of this policy; or
  - (3) Any costs or expenses related to loss as described by c.(1) or c.(2) above.
- d. The amount we will pay for damages is limited as described in section **VI. LIMITS OF INSURANCE**.
- e. We have no obligation under this insurance with respect to any claim or “suit” settled without our consent.
- f. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under section **II. DEFENSE AND SETTLEMENT** and section **V. SUPPLEMENTARY PAYMENTS**.

## II. DEFENSE AND SETTLEMENT

### 1. Coverage A – Follow Form Excess Liability Defense and Settlement:

- a. We have the right and duty to defend the insured against any “suit” seeking damages to which this insurance applies. If the “underlying insurer” defends a “suit” even if such “suit” is groundless, false or fraudulent, we will also defend such a “suit”. We have no duty to defend any person or organization against any claim or “suit”:
- (1) To which this insurance does not apply; or
  - (2) If any other insurer has a duty to defend.
- b. Where we have the duty to defend, we may, at our discretion, investigate any occurrence or offense and settle any claim or “suit”.
  - c. Where we have no duty to defend, we have the right to participate in the investigation and settlement of any claim, and defense of any “suit”, that we feel may create liability on our part under the terms and conditions of this policy. If we exercise this right, we will do so at our own expense.
  - d. Our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements. However, if the Limits of Insurance of any “underlying insurance” are reduced by defense or claim expense

under the terms of that policy, then our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments, settlements, and defense or claim expense as defined in the “underlying insurance”.

**2. Coverage B – Umbrella Liability Defense and Settlement:**

- a. We have the right and duty to defend the insured against any “suit” because of “bodily injury”, “property damage”, “personal injury” or “advertising injury” to which this insurance applies, even if such “suit” is groundless, false or fraudulent. We have no duty to defend any person or organization against any claim or “suit”:
  - (1) To which this insurance does not apply; or
  - (2) If any other insurer has a duty to defend.
- b. Where we have the duty to defend, we may, at our discretion, investigate any “occurrence” or offense and settle any claim or “suit”.
- c. Where we have no duty to defend, we have the right to participate in the investigation and settlement of any claim, and defense of any “suit”, that we feel may create liability on our part under the terms and conditions of this policy. If we exercise this right, we will do so at our own expense.
- d. Our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements. However, if the Limits of Insurance of any “underlying insurance” are reduced by defense or claim expense under the terms of that policy, then our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments, settlements, and defense or claim expense as defined in the “underlying insurance”.

**III. WHO IS AN INSURED**

**1. Coverage A – Follow Form Excess Liability Who Is An Insured:**

The following persons or organizations qualify as an insured:

- a. The named insured stated in Item 1 of the Declarations; and
- b. Any other person or organization qualifying as an insured under the “underlying insurance” but not beyond the

extent of any limitation imposed under any contract or agreement.

If coverage provided to an Additional Insured is required by contract or agreement, the most we will pay on behalf of the Additional Insured is the amount of insurance required by the contract, less any amounts payable by “underlying insurance”.

Additional Insured coverage provided by this insurance will not be broader than coverage provided by the “underlying insurance”. The inclusion of Additional Insureds does not increase the Limit of Insurance.

**2. Coverage B – Umbrella Liability Who Is An Insured:**

- a. If you are designated in the Declarations as:
  - (1) An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - (2) A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - (3) A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - (4) An organization other than a partnership, joint venture or limited liability company, you are an insured. Your “executive officers” and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - (5) A trust, you are an insured. Your trustees are also insureds, but only with respect their duties as trustees.
- b. Each of the following is also an insured:
  - (1) Your “volunteer workers” only while performing duties related to the conduct of your business, or your “employees”, other than your “executive officers” (if you are an organization other than a partnership, joint venture or limited liability

company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these “employees” or “volunteer workers” is an insured for:

(a) “Bodily injury”, “personal injury” or “advertising injury”:

(i) To you, to your partners or members (if you are a partnership or joint venture), to a co-“employee” while in the course of his or her employment or performing duties related to the conduct of your business, or to your other “volunteer workers” while performing duties related to the conduct of your business;

(ii) To the spouse, child, parent, brother or sister of the “employee” or “volunteer worker” as a consequence of paragraph (a)(1) above;

(iii) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (a)(1) or (a)(2) above; or

(iv) Arising out of his or her providing or failing to provide professional health care services.

(b) “Property Damage” to property:

(i) Owned, occupied or used by;

(ii) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your “employees”, “volunteer workers”, any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

(2) Any person (other than your “employee” or “volunteer worker”), or any organization while acting as your real estate manager.

(3) Any person or organization having proper temporary custody of your property if you die, but only:

(a) With respect to liability arising out of the maintenance or use of that property; and

(b) Until your legal representative has been appointed.

(4) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

c. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or a majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However,

(1) Coverage under this provision is afforded only until the 90<sup>th</sup> day after you acquire or form the organization or the end of the policy period, whichever is earlier.

(2) Coverage does not apply to “bodily injury” or “property damage” that occurred before you acquired or formed the organization; and

(3) Coverage does not apply to “personal injury” and “advertising injury” arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

#### IV. COVERAGE TERRITORY

##### 1. Coverage A – Follow Form Excess Liability:

With respect to **Coverage A – Follow Form Excess Liability**, this insurance applies anywhere that the applicable “underlying insurance” applies.

##### 2. Coverage B – Umbrella Liability:

With respect to **Coverage B – Umbrella Liability**, this insurance applies anywhere in the world, with the exception of any country or jurisdiction subject to sanctions or embargo by the United States of America.

#### V. SUPPLEMENTAL PAYMENTS

Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

1. We will pay the following expenses in addition to the Limit of Insurance with respect to any claim we investigate or settle, or any “suit” against an insured we defend, to the extent such expenses are not covered by “underlying insurance” or “other insurance”:
  - a. All expenses we incur.
  - b. Up to \$2,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which this coverage applies. We do not have to furnish these bonds.
  - c. The premium costs of appellate bonds or bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.
  - d. Reasonable expenses incurred by an insured at our request to assist us in the investigation or defense of the claim or “suit”, including actual loss of earnings up to \$1000 a day because of time off from work.
  - e. All costs taxed against an insured in the “suit”, except any:
    - (1) Attorneys’ fees or litigation expenses; or
    - (2) Other loss, cost or expense in connection with any injunction or equitable relief.
  - f. Pre-judgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any pre-judgment interest based on that period of time after the offer.
  - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court that part of the judgment that is within our applicable limit of insurance.
2. Our obligation to make these payments ends when we have used up the applicable Limit of Insurance.
3. If the Limits of Insurance of any “underlying insurance” are reduced by defense expense or claim expense as defined under the terms of that policy, then any Supplemental Payments we make that meet the “underlying insurance” definition of defense expense or claim

expense will reduce our applicable Limits of Insurance in the same manner.

4. If the law of a country or jurisdiction prohibits us from paying a Supplementary Payment, we will reimburse you for a Supplementary Payment you have incurred with our consent.

**VI. LIMITS OF INSURANCE**

Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

1. The limits of insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or “suits” brought;
  - c. Persons or organizations making claims or bringing “suits”; or
  - d. Coverages provided by this policy.
2. The Products-Completed Operations Aggregate Limit shown in the Declarations is the most we will pay for the sum of all damages included in the “products - completed operations hazard”.
3. The General Aggregate Limit shown in the Declarations is the most we will pay for the sum of all damages to which this insurance applies, except:
  - a. Damages Included in the “products - completed operations hazard”; or
  - b. Otherwise covered by “underlying insurance”, but to which no aggregate limit in such “underlying insurance” applies.
4. Subject to the applicable Aggregate Limit, the Each Occurrence Limit shown in the Declarations is the most we will pay for damages arising out of any one “occurrence” or offense under **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability** combined, even if such loss is or otherwise would be covered in whole or part under more than one “underlying insurance”.
5. Any amount paid for loss will reduce the amount of the applicable Aggregate Limit available for any other payments.
6. If the applicable Aggregate Limit has been reduced to any amount that is less than the Each Occurrence Limit, the remaining amount of such applicable Aggregate Limit is the most that will be available for any other payments.
7. If the Limits of Insurance of any “underlying insurance” are reduced by defense or claim expenses under the terms of that policy, then any defense or claim expense payments we



make to defend any insured will reduce our applicable Limits of Insurance in the same manner.

8. The Aggregate Limits of this policy apply separately to each consecutive annual period. If our policy period is extended to a period greater than twelve (12) months, the extended period will be considered part of the original policy period for determining the Limits of Insurance.

## VII. EXCLUSIONS

1. Applicable to both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

This insurance does not apply to:

- a. **Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability**

Any liability or expense arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if claims are made or "suits" brought for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to liability or expense because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- b. **Asbestos**

"Bodily injury", "property damage", "personal injury" or "advertising injury" or

any other injury, damage, loss cost or expense arising out of any actual or alleged:

- (1) Inhaling, ingesting or prolonged physical exposure by any person to asbestos or asbestos fibers or goods or products containing asbestos;
- (2) Use of asbestos in constructing or manufacturing any good, product or structure;
- (3) Intentional or accidental removal including encapsulation, dispersal, sealing or disposal of asbestos or asbestos fibers from any good, product or structure;
- (4) Manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos;
- (5) Products manufactured, sold, handled or distributed by or on behalf of the insured which contain asbestos; or
- (6) Acts or omissions of the insured in connection with the general supervision of any job involving the removal, enclosure, encapsulation, dispersal, sealing or disposal of asbestos, asbestos fibers or products containing asbestos. General supervision includes the rendering of or failure to render any instructions, recommendations, warnings or advice.

- c. **Damage to Property**

"Property damage" or related expenses arising from damage to or loss of use of:

- (1) Real property owned, leased, occupied or in the care, custody or control of any insured;
- (2) Real property loaned to any insured;
- (3) That particular part of real property on which you or any contractors or subcontractors working directly on your behalf are performing operations, if the "property damage" arises out of those operations.
- (4) That particular part of any property that must be restored repaired or replaced because "your work" was incorrectly performed on it.
- (5) Personal property in the care, custody or control of the insured.
- (6) Paragraphs (2) and (3) above do not apply to liability assumed under a sidetrack agreement.

- (7) Paragraph (4) above does not apply to “property damage” included in the “Products Completed Operations Hazard”.

**d. Employment Related Practices**

Any claim by or on behalf of:

- (1) A person arising out of any:
- (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) Any person as a consequence of “bodily injury” to that person at whom any of the employment-related practices described in Paragraph (1) above is directed.

This exclusion applies:

- (3) Whether you may be liable as an employer or in any other capacity; and
- (4) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**e. Miscellaneous Laws**

Any liability or expense under any of the following:

- (1) Any obligation of the insured under a workers’ compensation, disability, benefits or unemployment compensation law or any similar law;
- (2) Any breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violations of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 (ERISA), as amended, or any similar local, state, federal or foreign law or regulations; or
- (3) Any uninsured or underinsured motorist, no-fault, medical payments, first party personal injury or similar law.

**f. Nuclear Liability**

“Nuclear Energy Hazards”.

**g. Recall of Products, Work or Impaired Property**

Damages claimed for any loss of use, cost, or expense related to recall, withdrawal, disposal or removal of, inspection, repair or replacement of:

- (1) “Your product”
- (2) “Your work”, or
- (3) “Impaired property”;

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**h. Recording and Distribution of Material in Violation of Law**

Any liability or expense arising out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) The Fair Credit Reporting Act (FCRA) and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

**i. War**

Any liability or expense arising out of “war”.

**2. Applicable to Coverage A – Follow Form Excess Liability only:**

This insurance does not apply to:

**a. Pollution**

- (1) Any “bodily injury”, “property damage”, “personal injury” or “advertising injury” arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of “pollutants”:



- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
  - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot originating from equipment that is used to heat, cool, or dehumidify the building, or equipment that is used to heat water for personal use by the building's occupants or their guests;
  - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site, or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured other than the additional insured; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.; or
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to

the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any

way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order, statutory, or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

However, paragraphs (2)(a) and (2)(b) above do not apply to liability for damages because of "property damage" that an insured would have in the absence of such request, demand, order or statutory or regulatory requirement or such claim or "suit" by or on behalf of a governmental authority.

(3) As used in this exclusion, a hostile fire is one which becomes uncontrollable or breaks out from where it was intended to be.

3. Applicable to **Coverage B – Umbrella Liability** only:

This insurance does not apply to:

a. **Aircraft, "Unmanned Aircraft", "Auto" or Watercraft:**

Any liability or expense arising out of the ownership, maintenance, operation, use, entrustment to others, or loading or unloading of any:

(1) Aircraft owned by you or rented, loaned or chartered by or on behalf of you without crew;

(2) "Unmanned aircraft";

(3) "Auto"; or

(4) Watercraft owned by you except watercraft while ashore on premises you own or rent.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision,

hiring, employment, training or monitoring of others by that insured.

b. **Contractual Liability**

Any liability for which any insured is obligated to pay damages by reason of the assumption of liability in any contract or agreement. This exclusion does not apply to liability for damages:

(1) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury", "personal injury", "advertising injury" or "property damage" occurs after the execution of the contract or agreement; or

(2) That any insured would have in the absence of the contract or agreement.

c. **Damage to "Your Product", "Your Work" or "Impaired Property"**

"Property damage" to:

(1) "Your product" arising out of it or any part of it; and

(2) "Your work" arising out of it or any part of it and included in the "products-completed operations hazard".

Paragraphs (1) and (2) above do not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

(3) "Impaired Property" or property that has not been physically injured, arising out of:

(a) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(b) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

d. **Directors and Officers**

Any liability or expense for a wrongful act, error, omission or breach of duty by an insured in the performance of the office of director, officer or trustee of an organization.

e. **Employers Liability**

Any injury to:

(1) Any "employee" of an insured arising out of and in the course of:

- (a) Employment by an insured; or
- (b) Performing duties related to the conduct of an insured's business; or
- (2) Any person as a consequence of paragraph (1) above.

This exclusion applies:

- (3) Whether an insured may be liable as an employer or in any other capacity; and
- (4) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by an insured under an "insured contract".

**f. Expected or Intended Injury**

"Bodily injury", "property damage", "personal injury" or "advertising injury" expected or intended from the standpoint of the insured.

This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

**g. Liquor Liability**

Any liability or expense for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person; or
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (4) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (5) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

**h. Maintenance, Prevention or Enhancement**

To any liability or expense incurred by an insured or any others for any:

- (1) maintenance or enhancement of any property; or
- (2) prevention of any injury or damage to any:
  - (a) person or organization; or
  - (b) property you own, rent or occupy.

**i. "Personal Injury" and "Advertising Injury"**

Any liability or expense for "personal injury" and "advertising injury":

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal injury" or "advertising injury";
- (2) Arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period;
- (4) Arising out of a criminal act committed by or at the direction of the insured;
- (5) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (6) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (7) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (8) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (9) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement" of copyright or slogan.

**(10) Arising out of:**

- (a)** The controlling, creating, designing or developing of another's internet site;
- (b)** The controlling, creating, designing, developing, determining or providing content or material of another's internet site;
- (c)** The controlling, facilitating or providing, or failing to control, facilitate or provide, access to the internet or another's internet site; or
- (d)** Publication of content or material on or from the internet, other than material developed by you or at your direction.

**(11)** Arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control;

**(12)** Arising out of the unauthorized use of another's name or product in your email address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**j. Pollution**

- (1)** "Bodily injury", "property damage", "personal injury" or "advertising injury" part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
- (2)** Any loss, cost or expense arising out of any:
  - (a)** Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b)** Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**k. Professional Liability**

Any liability or expense arising out of the rendering of or failure to render any professional or quasi-professional service (whether or not such service requires certification or licensing), advice or instruction by you or on your behalf, or from whom any of you assumed liability by reason of a contract or agreement, regardless of whether any such service, advice or instruction is ordinary to any insured's profession.

**l. Punitive Damages**

Any sum awarded for punitive damages, exemplary damages, multiplied damages, taxes, fines, or penalties.

**VIII. CONDITIONS**

Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

**1. Appeals**

We may elect to initiate or participate in an appeal of a judgment if such judgment could result in a payment under this insurance.

If we so elect, we shall be liable for all expenses we incur incidental to such appeal, but in no case will the amount we pay for loss exceed the Limits of Insurance.

**2. Bankruptcy**

The bankruptcy of any insured or insured's estate will not relieve us of our obligations under this policy.

In the event of bankruptcy or insolvency of the provider of any "underlying insurance", the insurance provided by this policy will not replace such "underlying insurance" and applies as though such "underlying insurance" was available and collectible.

**3. Cancellation and Non-Renewal**

- a.** The first Named Insured may cancel this policy by mailing or delivering to us, our authorized agent or broker, advance written notice of cancellation stating when the cancellation is to take effect.
- b.** We may cancel this policy or any of its individual coverages by mailing to the first Named Insured a written notice of cancellation at least:

- (1)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or



(2) 60 days before the effective date of cancellation if we cancel for any other reason.

- c. We will mail our notice to the first Named Insured's last mailing address known to us.
- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata.
- f. If we decide not to renew, we will mail to the first Named Insured written notice of non-renewal not less than sixty (60) days before the expiration date.
- g. Proof of mailing will be sufficient proof of notice.

#### 4. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured is authorized to make changes with our consent. This policy's terms can be amended or waived only by endorsement issued by us or made a part of this policy.

#### 5. Currency

All payments or reimbursements we make for damages because of judgments or settlements will be made in United States currency at the prevailing exchange rate at the time the insured became legally obligated to pay such sums.

#### 6. Duties in the Event of "Occurrence", Offense, Claim or "Suit"

- a. You must see to it that we are notified as soon as practicable of any "occurrence" or offense to which this insurance may apply. Notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature of any injury or damage arising out of the "occurrence" or offense.
- b. You will cooperate with the "underlying insurer" as required by the terms of their policies and comply with all terms and conditions of those policies.
- c. If a claim is made or "suit" is brought against any insured to which this

insurance may apply, you must see to it that we receive written notice of the claim or "suit" as soon as practicable.

d. You and any other involved insured must:

- (1) Send us copies as soon as practicable of any demands, notices, summonses or legal papers received in connection with the claim or "suit" to which this insurance may apply;
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit";
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which in our opinion may be liable to an insured because of injury or damage to which this insurance applies;
- (5) Notify us as soon as practicable of any judgment or settlement of any claim or "suit" brought against any insured; and
- (6) Not voluntarily make a payment, assume any obligation or incur any expense without our consent, except at that insured's own cost.

#### 7. Examination of Your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward. We have the right to make copies of those books and records.

#### 8. First Named Insured

The person or organization first named in Item 1. of the Declarations is responsible for the payment of all premiums, the receiving of return premiums, the receipt and acceptance of this policy and any endorsements, and will act on behalf of all other insureds for the giving and receiving of notice of cancellation or any other notice required under this policy or by statute or regulation.

#### 9. Inspections and Surveys

- a. We have the right but not the duty to:
  - (1) Make inspections and surveys at any time;
  - (2) Give you reports on the conditions we find; and
  - (3) Recommend changes.
- b. Any inspections, surveys, reports or recommendations relate only to

insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions:

- (1) Are safe or healthful; or
- (2) Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

#### 10. Joint Duties in Non-Admitted Jurisdictions

With respect to an "occurrence", offense, claim or "suit" that arises in a non-admitted jurisdiction and to which this insurance applies:

- a. If we are prevented by law in any country or jurisdiction from fulfilling our duty to defend you or to investigate claims, you will be responsible for arranging for the defense or investigation under our supervision. We will reimburse you for all reasonable and necessary expense incurred which we would have paid if we had defended the "suit" or investigated the claim; and
- b. If we are prevented by law in any country or jurisdiction from paying damages to which this insurance applies, you may pay the damages with our consent. Upon proof of the payments, we will reimburse you for such damages subject to the applicable Limit of Insurance.

#### 11. Legal Action Against Us

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial, but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the Limits of Insurance.

An agreed settlement means a settlement and release of liability signed by us, an insured

and the claimant or the claimant's legal representative.

#### 12. Maintenance of "underlying insurance"

- a. You agree to maintain the "underlying insurance" in full force and effect during the term of this policy. "underlying insurance" will not be cancelled, non-renewed or rescinded without replacement coverage to which we agree. You must notify us as soon as practicable if any "underlying insurance" is no longer valid or in full force and effect.
- b. The terms and conditions of "underlying insurance" will not materially change, unless we agree otherwise. The terms and conditions or renewals or replacements of "underlying insurance" will be materially the same as prior coverage unless we agree otherwise.
- c. The total applicable limits of "underlying insurance" shall not decrease, except for any reduction or exhaustion of aggregate limits by payment of loss. Reduction or exhaustion of any aggregate limit of liability or limit of insurance in any "underlying insurance" by payments for judgments, settlements or expense will not be a failure to maintain "underlying insurance" in full force and effect.
- d. No statement contained in this Condition limits our right to cancel or not renew this policy.
- e. Your failure to comply will not invalidate this policy, but this policy will apply as if the "underlying insurance" was so maintained.

#### 13. Other Insurance

- a. This insurance is excess over any "other insurance", whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically purchased as excess over this policy.
- b. We have no duty to defend the insured against any claim or "suit" if any other insurer has a duty to defend such insured against that claim or "suit".
- c. This insurance is not subject to the terms or conditions of any "other insurance".
- d. We will pay only our share of the amount of loss, if any, that exceeds the sum of the total:
  - (1) Amount that all "other insurance" would pay for loss in the absence of this insurance; and



- (2) Of all deductible and self-insurance amounts under all “other insurance”.

#### 14. Premium Audit

- a. We will compute all premiums for this policy in accordance with our rules, rates, rating plans, premiums and minimum premiums applicable to this insurance.
- b. If the premium for this policy is stated in the Declarations as being subject to adjustment, at the close of each audit period, we will compute the earned premium for that period using the rates and rating basis shown on the Declarations or as stated in an endorsement issued by us. Audit premiums are due and payable on notice to the first Named insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured, but not if such audit premium is less than the minimum premium shown in the Declarations.
- c. The first Named Insured must keep records of the information we need for premium computation and send us copies as we may request.

#### 15. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

If unintentionally you should fail to disclose all hazards at the inception of this policy, we shall not deny coverage under this policy because of such failure.

#### 16. Separation of Insureds

Except with respect to the Limits of Insurance and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or “suit” brought.

#### 17. Titles of Paragraphs

The titles of paragraphs in this policy are inserted solely for convenience or reference. Such titles do not limit, define or affect the provisions to which they relate.

#### 18. Transfer of Rights of Recovery Against Others to Us

If an insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. An insured must do nothing after loss to impair such rights. At our request, an insured will bring “suit” or transfer those rights to us and help us enforce them.

Any recoveries will be apportioned in the inverse order of payment of loss to the extent of actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of their respective recoveries.

#### 19. Transfer of Your Rights and Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent.

If you die, your rights and duties are transferred to your legal representative, but only while that legal representative is acting within the scope of their duties as such. Until your legal representative is appointed, anyone with proper temporary custody of your property will have your rights and duties but only with respect to that property.

### IX. DEFINITIONS

Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella**

1. **“Advertisement”** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purpose of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. **“Advertising Injury”** means injury, including consequential “bodily injury”, arising out of one or more of the following offenses:
  - a. The use of another’s advertising idea in your “advertisement”; or
  - b. Infringing upon another’s copyright or slogan in your “advertisement”.
3. **“Auto”** means:
  - a. A land motor vehicle, trailer or semi-trailer designed for travel on public roads,

including any attached machinery or equipment; or

- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

4. **"Bodily injury"** means bodily injury, sickness or disease sustained by a person including death resulting from any of these at any time. "Bodily injury" includes mental anguish or other mental injury resulting from "bodily injury".
5. **"Employee"** includes a "leased worker". "Employee" does not include a "temporary worker".
6. **"Executive Officer"** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. **"Impaired property"** means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of the contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.
8. **"Insured contract"** means:
  - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement;

- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume, the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
  - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
    - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
  - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in paragraph (2) above and supervisory, inspection or engineering activities.
9. **"Leased Worker"** means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
  10. **"Loading or Unloading"** means the handling of property:
    - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
    - b. While it is in or on an aircraft, watercraft or "auto"; or

- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**11. "Mobile Equipment"** means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, fork-lifts and other vehicles designed by use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shoves, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos".

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck

chassis and used to raise or lower workers; and

- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**12. "Nuclear Energy Hazard"**

Any liability or expense:

- a. With respect to which an insured under this policy is also an insured under a nuclear energy policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any other similar foreign or domestic authority of any jurisdiction, or their successors, or would be an insured under any such policy of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- b. Resulting from the hazardous properties of nuclear material and with respect to which:
  - (1) Any person or entity is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, of any law amendatory thereof or of any similar law or regulation of any other foreign or domestic authority or jurisdiction; or
  - (2) Any insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America or any other foreign or domestic governmental entity or any agency thereof, under any agreement entered into by the United States of America, any other foreign or domestic governmental body or any agency thereof, with any person or organization.
- c. To "bodily injury" or "property damage" resulting from the hazardous properties of nuclear material, if:
  - (1) The nuclear material:

- (a) Is at any nuclear facility owned by or operated by or on behalf of an insured or,
- (b) Has been discharged or dispersed there from.
- (2) The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
- (3) The “bodily injury” or “property damage” arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this paragraph c. applies only to “Property Damage” to such nuclear facility and any property thereat.

As used in this definition:

“Hazardous properties” include radioactive, toxic or explosive properties.

“Nuclear material” means source material, special nuclear material, or by-products material.

“Source material”, “special nuclear material”, and “by-product material” have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

“Spent fuel” means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor.

“Waste” means any waste material:

- (1) Containing by-product material other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content.
- (2) Resulting from the operation by any person or organization of any nuclear facility included under the first two paragraphs of the definition of nuclear facility.

“Nuclear facility” means:

- (1) Any nuclear reactor; or
- (2) Any equipment or device designated or used for:
  - (a) Separating the isotopes of uranium or plutonium; or

- (b) Processing or utilizing spent fuel; or
- (c) Handling, processing or packaging nuclear waste; or
- (3) Any equipment or device used for processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of an insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
- (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste; and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

“Nuclear reactor” means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

“Property damage” includes all forms of radioactive contamination of property.

- 13. “**Occurrence**” means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 14. “**Other Insurance**” means any insurance that may provide coverage to any insured which this policy would also provide, and includes any type of self-insurance or other mechanism arranged for funding of loss. “Other insurance” does not include “underlying insurance” or insurance specifically purchased as excess over this policy.
- 15. “**Personal Injury**” means injury, including consequential “bodily injury”, arising out of one or more of the following offenses:
  - a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;



- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

**16. "Pollutants"** mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**17. "Products-Completed Operations Hazard"**

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
  - (1) Products that are still in your physical possession; or
  - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
    - (a) When all of the work called for in your contract has been completed.
    - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
    - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:
  - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
  - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
  - (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed

operations are subject to the General Aggregate Limit.

**18. "Property Damage" means:**

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

**19. "Retained Limit" means the amount stated as such in the Declarations for which the insured is responsible with respect to each "occurrence" under Coverage B – Umbrella Liability.**

**20. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" also includes:**

- a. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

**21. "Temporary Worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.**

**22. "Underlying insurance" means the liability insurance coverage provided under policies shown in the Schedule of Underlying Insurance for the limits and policy periods indicated. It includes any policies issued to replace those policies during the term of this insurance that provide:**

- a. At least the same limits of liability or limits of insurance; and
- b. The same hazards insured against, except as modified by general program revisions or as agreed to by us in writing.

**23. "Underlying Insurer" means any insurer who issues a policy of "underlying insurance".**

**24. "Unmanned aircraft" means an aircraft that is not:**

- a. Designed;

- b. Manufactured; or
  - c. Modified after manufacture;
- to be controlled directly by a person from within or on the aircraft.

**25. "War" means:**

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**26. "Your Product"**

- a. Means:
  - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
    - (a) You;
    - (b) Others trading under your name; or
    - (c) A person or organization whose business or assets you have acquired; and

- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.

- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

**27. "Your Work"**

**a. Means:**

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – PROFESSIONAL LIABILITY  
(COVERAGE A)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph **2**. Applicable to **Coverage A – Follow Form Excess Liability** only:

This insurance does not apply to:

**Professional Services**

Any liability or expense arising out of the rendering of or failure to render any professional service, advice or instruction by you or on your behalf, or from whom any of you assumed liability by reason of a contract or agreement, regardless of whether any such service, advice or instruction is ordinary to any insured's profession.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ILLINOIS CHANGES

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

**A.** The term "spouse", wherever found within this policy, is replaced by the following:

Spouse or party to a civil union recognized under Illinois law.

**B.** The following is added to section **II. DEFENSE AND SETTLEMENT**, paragraph **1. Coverage A – Follow Form Excess Liability Defense and Settlement**, and paragraph **2. Coverage B – Umbrella Liability Defense and Settlement**:

1. The provisions of paragraph **2.** Below are added to all Insuring Agreements that set forth a duty to defend. Paragraph **2.** also applies to any other provision in the policy that sets forth a duty to defend.

2. If we initially defend an insured ("insured") or pay for an insured's ("insured's") defense but later determine that the claim(s) is (are) not covered under this insurance, we will have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement for the defense costs under this provision will only apply to defense costs we have incurred after we notify such insured ("insured") in writing that there may not be coverage, and that we are reserving our rights to terminate the defense and seek reimbursement for defense costs.

**C.** Section **VII. EXCLUSIONS**, paragraph **3.** Applicable to **Coverage B – Umbrella Liability** only, subparagraph **I. Punitive Damages** is replaced by the following:

**I. Punitive Damages**

Any sum awarded for punitive damages, exemplary damages, multiplied damages, taxes, fines or penalties.

Should "suit" be brought against an insured for which coverage is provided herein and such "suit" seek both compensatory and punitive or exemplary damages, then we will afford a defense to such "suit" without liability, however, for such punitive or exemplary damages.

**D.** Section **VIII CONDITIONS**, paragraph **3. Cancellation and Non-Renewal** is replaced by the following:

**3. Cancellation and Non-Renewal**

**a** The first Named Insured shown in the Declarations may cancel this policy by mailing to us advance written notice of cancellation.

**b.** We may cancel this policy by mailing to you, written notice stating the reason for cancellation. If we cancel:

(1) For nonpayment of premium, we will mail the notice at least 10 days prior to the effective date of cancellation.

(2) For a reason other than nonpayment of premium, we will mail the notice at least:

(a) 30 days prior to the effective date of cancellation if the policy has been in effect for 60 days or less.

(b) 60 days prior to the effective date of cancellation if the policy has been in effect for more than 60 days.

**c.** If this policy has been in effect for more than 60 days or is a renewal or continuation policy, we may cancel only for one or more of the following reasons:

(1) Nonpayment of premium;

(2) The policy was obtained through a material misrepresentation;

(3) Any insured has violated any of the terms and conditions of the policy;

(4) The risk originally accepted has measurably increased;

(5) Certification to the Director of Insurance of the loss of reinsurance by the insurer that provided coverage to us for all or a substantial part of the underlying risk insured; or

(6) A determination by the Director of Insurance that the continuation of the policy could place us in violation of the insurance laws of this State.

- d. We will mail our notice to you, at your last mailing address known to us. Proof of mailing will be sufficient proof of notice.
- e. Notification of cancellation will also be sent to your broker, if known, or agent of record, if known.
- f. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- g. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be less than pro rata. The cancellation will be effective even if we have not offered a refund.
- h. If we decide not to renew or continue this policy, we will mail you written notice, stating the reason for nonrenewal, at least:
  - (1) 60 days before the end of the policy period for all policies other than those described in **f.(2)**; or
  - (2) 30 days before the end of the policy period for all commercial excess and umbrella liability policies as defined in 215 ILL. COMP. STAT. 143.13.(h). The nonrenewal shall not become effective until at least 30 days from the proof of mailing date of the notice to you.
- b. Proof of mailing will be sufficient proof of notice.
- c. Notification of nonrenewal will also be sent to your broker, if known, or agent of record, if known.
- i. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
- j. If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.
- k. We will mail cancellation and nonrenewal notices to you, and the agent or broker, at the last addresses known to us. Proof of mailing will be sufficient proof of notice.

For the purposes of Paragraph **f.(2)**, commercial excess and umbrella liability policies are defined in 215 ILL. COMP. STAT. 143.13.(h) as follows:

- (h) "Commercial excess and umbrella liability policy" means a policy written over one or more underlying policies for an insured:
  - (1) that has at least 25 full-time employees at the time the commercial excess and umbrella liability policy is written and procures the insurance of any risk or risks, other than life, accident and health, and annuity contracts, as described in clauses (a) and (b) of Class 1 of Section 4 and clause (a) of Class 2 of Section 4, by use of the services of a full-time employee acting as an insurance manager or buyer; or
  - (2) whose aggregate annual premiums for all property and casualty insurance on all risks is at least \$50,000.

**E. The following is added to section VIII. CONDITIONS:**

**Right to Claim Information**

- a. If required by applicable law or regulation, and subject to paragraph e. below, we will provide the first Named Insured shown in the Declarations, within thirty (30) days of the insured's written request or at the same time as any notice of cancellation or nonrenewal, the following information relating to this and any preceding claims-made insurance we have issued to you during the previous three years:
  - (1) Information concerning closed claims limited to the date and description of claims, total amount of payments and total reserves, if any; and
  - (2) Information concerning open claims limited to the date and description of claims, total amount of payments and total reserves, in any; and
  - (3) Information concerning claims not included in subparagraphs (1) and (2) above limited to the date and description of claims and total reserves, if any.
- b. Subject to paragraph e. below, we will provide the first Named Insured shown in the Declarations, within twenty (20) days after receipt of written request by the Named Insured, detailed claims information in addition to that provided under paragraph a. above, including specific reserve amounts.
- c. Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values. You must not disclose this information to any claimant or claimant's representative without our consent.
- d. We compile claim information for our own business purposes and exercise reasonable

care in doing so. In providing this information to the first Named Insured we make no representations or warranties.

- e. We will not provide the information included in paragraphs **a.** and **b.** above if this policy has been cancelled for nonpayment or premium, material misrepresentations or fraud on the part of the insured.

Cancellation or nonrenewal will be effective even if we inadvertently fail to provide this information, or provide inaccurate or incomplete information.

- F. The following is added to any **Extended Reporting Period**:

The percentage in the table relating to length of Extended Reporting Period will be applied to the expiring annual premium.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – LEAD (COVERAGE A AND B)

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

### **Lead**

Any liability or expense arising out of any actual or alleged presence of or exposure to lead including but not limited to:

- (1) Inhaling, ingesting or prolonged physical exposure by any person to any premises, structure, goods or products containing lead;
- (2) The use of lead in constructing or manufacturing any good, product or structure;

- (3) Intentional or accidental removal including encapsulation, dispersal, sealing or disposal of any good, product or structure containing lead;
- (4) The manufacturing, transportation, storage or disposal of goods or products containing lead;
- (5) Any product manufactured, sold, handled or distributed by or on behalf of the insured which contains lead; or
- (6) Acts or omissions of the insured in connection with the general supervision of any job involving the removal, enclosure, encapsulation, dispersal, sealing, or disposal of products or materials containing lead.

General supervision includes the rendering of or failure to render any instructions, recommendations, warnings, or advice.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**"Certified act of terrorism"** means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism

pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A.** The following exclusion is added to section **VII. EXCLUSIONS**, paragraph **1**. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

**Terrorism Punitive Damages**

Damages arising, directly or indirectly, out of a "certified act of terrorism" which are awarded as punitive damages.

- B.** For the purpose of this endorsement, the following definition is added to section **IX. DEFINITIONS**:

**"Certified act of terrorism"** means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Insurance Act, to be an act of terrorism pursuant such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

- a.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- b.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – FUNGI OR BACTERIA LIABILITY (COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph **1**. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

### **Fungi or Bacteria**

Any liability or expense arising out of “fungi” or bacteria which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any “fungi” or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product

contributed concurrently or in any sequence to such injury or damage.

- (1) This exclusion also applies to any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, “fungi” or bacteria, by you or by any other person or entity.
- (2) For the purposes of this exclusion, “fungi” means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by “fungi”.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – SILICA (COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

**“Silica” or “Silica-Related Dust”**

Any liability or expense arising out of any actual, alleged, threatened or suspected:

- (1) Inhalation of, or ingestion of, “silica” or “silica-related dust”;
- (2) Threatened or suspected contact with, exposure to, existence of, or presence of, “silica” or “silica-related dust”; or

- (3) Any loss cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, “silica” or “silica-related dust”, by any insured or by any other person or entity.

For the purpose of this exclusion, the following definitions are added:

**“Silica”** means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.

**“Silica-related dust”** means a mixture or combination of silica and other dust or particles.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – TOTAL POLLUTION WITH HOSTILE FIRE EXCEPTION (COVERAGE A)

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A. Section VII. EXCLUSIONS, paragraph 2.**  
Applicable to **Coverage A – Follow Form Excess**  
Only, subparagraph **a.** is replaced by the following:

This insurance does not apply to:

**a. Pollution**

- (1) Any liability or expense which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release, or escape of “pollutants” at any time.
- (a) This exclusion does not apply to “bodily injury” or “property damage” arising out of heat, smoke or fumes from a “hostile fire” unless that “hostile fire” occurred or originated:
  - (i) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or
  - (ii) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured’s behalf are performing operations to test for,

monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to, or assess the effects of “pollutants”;

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, “pollutants”; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way respond to, or assess the effects of “pollutants”.

- B.** For the purpose of this exclusion, the following definition is added to section **IX DEFINITIONS**:

**“Hostile fire”** means one which becomes uncontrollable or breaks out from where it was intended to be.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ILLINOIS EXCLUSION – ABUSE AND MOLESTATION  
(COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

**Abuse and Molestation**

Any liability or expense arising out of the actual or threatened abuse or molestation by anyone of any person regardless whether the abuse or molestation was specifically intended or resulted from negligent conduct and regardless whether any insured subjectively intended the injury or damage for which a claim is made.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – DISCRIMINATION (COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

### **Discrimination**

Any liability or expense arising out of discrimination or humiliation based upon, but not limited to:

- |                         |   |
|-------------------------|---|
| (1) Age;                | (5) Race;   |
| (2) Gender;             | (6) Nationality;  |
| (3) Sexual orientation; | (7) National origin;  |
| (4) Marital Status;     | (8) Religion;   |
|                         | (9) Creed;  |
|                         | (10) Mental capabilities or condition;  |
|                         | (11) Physical capabilities, characteristics or condition;<br>or   |
|                         | (12) Any violation of a local, state, federal or foreign<br>law or regulation relating to discrimination. |

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – EMPLOYEE BENEFITS LIABILITY (COVERAGE B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A.** The following is added to section **VII. EXCLUSIONS**, paragraph **3**. Applicable to **Coverage B – Umbrella Liability** only:

This insurance does not apply to:

**Employee Benefits Liability**

Any liability or expense arising out of the “administration” of an “insured’s employee benefit program”.

- B.** For the purposes of this endorsement, the following definitions are added to section **IX. DEFINITIONS**:

“**Administration**” means:

- a.** Giving counsel to employees with respect to “employee benefit programs”;

- b.** Interpreting “employee benefit programs”;

- c.** Handling of records in connection with “employee benefits programs”; and

- d.** Effecting enrollment of employees under “employee benefit programs”.

“**Employee benefit program**” means life insurance, accident or health insurance, pension plans, workers’ compensation, unemployment insurance, social security and disability benefits, investment programs, loan or financial assistance programs, and any other similar benefit program.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS NOTICE IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT, AS AMENDED. THIS NOTICE DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THIS POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

## NOTICE – ACCEPTANCE OF TERRORISM COVERAGE AND DISCLOSURE OF PREMIUM

### Schedule

<b>Disclosure of Premium:</b>	
Total Terrorism Premium	\$ 75
Fire Following Premium	\$
Other than Fire Following Premium	\$

Coverage for “acts of terrorism,” as defined in Section 102(1) of the Terrorism Risk Insurance Act (“Act”) is included in your policy. You are hereby notified that under the Act, as amended in 2015, the definition of “act of terrorism” is:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States’ government by coercion.

### Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

### Cap on Insurer Participation in Payment of Terrorism Losses

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers’ liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**AGENT\*\*\*\*\***

1309516

ACRISURE LLC DBA PRESIDIO  
55 SHUMAN BLVD STE 900  
NAPERVILLE IL 60563

**AGENT\*\*\*\*\***



POLICY NUMBER: UHC D713545 01

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## POLICY CHANGES

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

Effective Date of Change: 10/01/2019

Change Endorsement No: 1

Named Insured: SUPERIOR KNIFE LLC

The following item(s):

- |   |   |
|---|---|
| <input type="checkbox"/> Insured's Name                 | <input type="checkbox"/> Insured's Mailing Address                  |
| <input type="checkbox"/> Payment Plan                   | <input type="checkbox"/> Insured's Legal Status/Business of Insured |
| <input type="checkbox"/> Classification/Class Codes     | <input type="checkbox"/> Premium Determination                      |
| <input type="checkbox"/> Additional Interested Parties: | <input type="checkbox"/> Coverage Forms and Endorsements            |
| <input type="checkbox"/> Limits/Exposures               | <input type="checkbox"/> Retained Limit                             |
| <input type="checkbox"/> Underlying Insurance           |   |

is (are) changed to read **{See Additional Page(s)}**:

The above amendments result in a change in the premium as follows:

<input checked="" type="checkbox"/> <b>NO CHANGES</b>	<input type="checkbox"/> <b>TO BE ADJUSTED AT AUDIT</b>	<b>ADDITIONAL PREMIUM</b>	<b>RETURN PREMIUM</b>
		\$0.00	\$0.00



<b>POLICY CHANGES ENDORSEMENT DESCRIPTION</b>
The Schedule of Underlying declaration has been amended as follows: Amended U/L EBL and GL to Citizens Insurance Company of America, Pol #ZBC-D713544-01

UHC D713545 01  
1309516  
Original Insured

SUPERIOR KNIFE LLC

1225 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007

SUPERIOR KNIFE LLC  
1225 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007

SUPERIOR KNIFE LLC

1225 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007





POLICY NUMBER: UHC D713545 01

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## POLICY CHANGES

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

Effective Date of Change: 10/01/2019

Change Endorsement No: 1

Named Insured: SUPERIOR KNIFE LLC

The following item(s):

- |   |   |
|---|---|
| <input type="checkbox"/> Insured's Name                 | <input type="checkbox"/> Insured's Mailing Address                  |
| <input type="checkbox"/> Payment Plan                   | <input type="checkbox"/> Insured's Legal Status/Business of Insured |
| <input type="checkbox"/> Classification/Class Codes     | <input type="checkbox"/> Premium Determination                      |
| <input type="checkbox"/> Additional Interested Parties: | <input type="checkbox"/> Coverage Forms and Endorsements            |
| <input type="checkbox"/> Limits/Exposures               | <input type="checkbox"/> Retained Limit                             |
| <input type="checkbox"/> Underlying Insurance           |   |

is (are) changed to read **{See Additional Page(s)}**:

The above amendments result in a change in the premium as follows:

<input checked="" type="checkbox"/> <b>NO CHANGES</b>	<input type="checkbox"/> <b>TO BE ADJUSTED AT AUDIT</b>	<b>ADDITIONAL PREMIUM</b>	<b>RETURN PREMIUM</b>
		\$0.00	\$0.00



<b>POLICY CHANGES ENDORSEMENT DESCRIPTION</b>
The Schedule of Underlying declaration has been amended as follows: Amended U/L EBL and GL to Citizens Insurance Company of America, Pol #ZBC-D713544-01

**AGENT\*\*\*\*\***

1309516

ACRISURE LLC DBA PRESIDIO  
55 SHUMAN BLVD STE 900  
NAPERVILLE IL 60563

**AGENT\*\*\*\*\***



POLICY NUMBER: UHC D713545 01

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## POLICY CHANGES

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

Effective Date of Change: 11/01/2019

Change Endorsement No: 2

Named Insured: SUPERIOR KNIFE LLC

The following item(s):

- |   |   |
|---|---|
| <input type="checkbox"/> Insured's Name                 | <input checked="" type="checkbox"/> Insured's Mailing Address       |
| <input type="checkbox"/> Payment Plan                   | <input type="checkbox"/> Insured's Legal Status/Business of Insured |
| <input type="checkbox"/> Classification/Class Codes     | <input type="checkbox"/> Premium Determination                      |
| <input type="checkbox"/> Additional Interested Parties: | <input type="checkbox"/> Coverage Forms and Endorsements            |
| <input type="checkbox"/> Limits/Exposures               | <input type="checkbox"/> Retained Limit                             |
| <input type="checkbox"/> Underlying Insurance           |   |

is (are) changed to read **{See Additional Page(s)}**:

The above amendments result in a change in the premium as follows:

<input checked="" type="checkbox"/> <b>NO CHANGES</b>	<input type="checkbox"/> <b>TO BE ADJUSTED AT AUDIT</b>	<b>ADDITIONAL PREMIUM</b>	<b>RETURN PREMIUM</b>
		\$0.00	\$0.00



<b>POLICY CHANGES ENDORSEMENT DESCRIPTION</b>
THE FOLLOWING HAVE BEEN AMENDED MAILING ADDRESS AS : 1281 ARTHUR AVE ELK GROVE VILLAGE IL 60007

UHC D713545 01  
1309516  
Original Insured

SUPERIOR KNIFE LLC

1281 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007

SUPERIOR KNIFE LLC  
1281 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007

SUPERIOR KNIFE LLC

1281 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007





POLICY NUMBER: UHC D713545 01

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## POLICY CHANGES

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

Effective Date of Change: 11/01/2019

Change Endorsement No: 2

Named Insured: SUPERIOR KNIFE LLC

The following item(s):

- |   |   |
|---|---|
| <input type="checkbox"/> Insured's Name                 | <input checked="" type="checkbox"/> Insured's Mailing Address       |
| <input type="checkbox"/> Payment Plan                   | <input type="checkbox"/> Insured's Legal Status/Business of Insured |
| <input type="checkbox"/> Classification/Class Codes     | <input type="checkbox"/> Premium Determination                      |
| <input type="checkbox"/> Additional Interested Parties: | <input type="checkbox"/> Coverage Forms and Endorsements            |
| <input type="checkbox"/> Limits/Exposures               | <input type="checkbox"/> Retained Limit                             |
| <input type="checkbox"/> Underlying Insurance           |   |

is (are) changed to read **{See Additional Page(s)}**:

The above amendments result in a change in the premium as follows:

<input checked="" type="checkbox"/> <b>NO CHANGES</b>	<input type="checkbox"/> <b>TO BE ADJUSTED AT AUDIT</b>	<b>ADDITIONAL PREMIUM</b>	<b>RETURN PREMIUM</b>
		\$0.00	\$0.00



<b>POLICY CHANGES ENDORSEMENT DESCRIPTION</b>
THE FOLLOWING HAVE BEEN AMENDED MAILING ADDRESS AS : 1281 ARTHUR AVE ELK GROVE VILLAGE IL 60007

# Exhibit F

**AGENT\*\*\*\*\***

1309516

ACRISURE LLC DBA PRESIDIO  
55 SHUMAN BLVD STE 900  
NAPERVILLE IL 60563

**AGENT\*\*\*\*\***

THIS NOTICE IS PROVIDED IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS NOTICE DOES NOT GRANT COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF COVERAGE UNDER THE POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

### Schedule

<b>Disclosure of Premium:</b>	
Total Terrorism Premium	\$ 75
Fire Following Premium	\$
Other than Fire Following Premium	\$

### Disclosure of Terrorism Coverage Available

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from "acts of terrorism" defined in Section 102(1) of the Act as follows:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

The premium charged for this coverage is provided in the Schedule above and does not include any charges for the portion of loss that may be covered by the Federal Government as described below.

Your policy may contain other exclusions which could affect your coverage, such as an exclusion for Nuclear Events or Pollution. **Please read your policy carefully.**

### Note for Commercial Property or Commercial Inland Marine Policyholders in Standard Fire States:

In your state, a terrorism exclusion makes an exception for (and therefore provides coverage for) fire losses resulting from an act of terrorism. If you reject the offer of terrorism coverage, therefore, that rejection does not apply to fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy. The additional premium just for such fire coverage is shown in the Schedule above.

### Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

**Cap on Insurer Participation in Payment of Terrorism Losses**

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers' liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**Rejection of Terrorism Insurance Coverage**

☐ I decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

\_\_\_\_\_  
Applicant/Policyholder Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Hanover Insurance Company

\_\_\_\_\_  
Insurance Company

\_\_\_\_\_  
UHC D713545 02

\_\_\_\_\_  
Quote or Policy Number





RENEWAL OF POLICY UHC D713545 01

**COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY**

**THESE DECLARATIONS, TOGETHER WITH THE COVERAGE FORM(S) AND ANY ENDORSEMENT(S),  
COMPLETE THE BELOW NUMBERED POLICY.**

POLICY NUMBER: UHC D713545 02  
COMPANY: Hanover Insurance Company

**DECLARATIONS****Item 1. Named Insured and Address**

(No., Street, Town, County, State)

**Agent**

SUPERIOR KNIFE LLC  
1281 ARTHUR AVE  
ELK GROVE VILLAGE IL 60007

1309516  
ACRISURE LLC DBA PRESIDIO  
55 SHUMAN BLVD STE 900  
NAPERVILLE IL 60563

**Item 2. Policy Period:** (Month, Day, Year)

From 10/01/2020 To 10/01/2021

12:01 A. M., standard time at the address of the Named Insured as stated herein.

**Form of Business:**

- ☐ Individual ☐ Partnership ☐ Corporation ☒ Limited Liability Company  
☐ Organization (Other than Partnership, Joint Venture or Limited Liability Company)

**Business Description: Knife Sharpening Company**

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY. THIS PREMIUM MAY BE SUBJECT TO AUDIT.

**Item 3. Limit of Insurance**

<b>Each Occurrence or Each Claim Limit:</b>	\$4,000,000
<b>Products – Completed Operations Aggregate Limit:</b>	\$4,000,000
<b>General Aggregate Limit</b>	\$4,000,000

<b>Retained Limit:</b>	\$0
------------------------	-----

**Item 4. Premium Computation:**

<b>Estimated Annual Premium</b>	\$5,210.00
<b>Premium Surcharges</b>	\$
<b>(Premium Surcharges NOT APPLICABLE in New York)</b>	
<b>Annual Minimum Premium</b>	\$5,210.00
<b>Advance Premium</b>	\$5,210.00

**Endorsements:**

See next page



- ☐ PREPAID - the total annual premium is due at inception.
- ☐ HANOCASH - the annual premium is payable according to the term of the Hanocash endorsement attached.
- ☐ ACCOUNT BILL    ☒ DIRECT BILL    ☐ Annual    ☐ Semi-Annual    ☐ Other

Audit period: Non Auditable Unless indicated by    ☐ Annual    ☐ Semi-Annual    ☐ Other

If you cancel this policy, we shall receive and retain not less than NIL as a policy minimum premium.



### Forms Applicable To This Policy:

\*Asterisk denotes new or changed form

<u>Form Number</u>	<u>Form Edition</u>	<u>Description</u>
331-0053	08/16	Illinois Inquiry Notice
401-1337	02/16	Trade Or Economic Sanctions Endorsement
* 401-1374	01/15	Disclosure Pursuant To Terrorism Risk Insurance Act
* 401-1377	06/20	Company Address Listing
401-1379	12/14	Illinois Inquiry Notice
475-0001	01/18	Hanover Commercial Follow Form Excess And Umbrella Policy
475-0031	12/14	Exclusion - Professional Liability (Coverage A)
475-0038	08/18	Illinois Changes
475-0057	12/14	Exclusion - Lead (Coverage A and B)
475-0066	01/15	Cap on Losses From Certified Acts of Terrorism
475-0070	01/15	Exclusion of Punitive Damages Related To A Certified Act Of Terrorism
475-0080	12/14	Exclusion - Fungi Or Bacteria Liability (Coverage A and B)
475-0084	12/14	Exclusion - Silica (Coverage A and B)
475-0092	12/14	Exclusion - Total Pollution With Hostile Fire Exception (Coverage A)
475-0100	12/14	Illinois Exclusion - Abuse and Molestation (Coverage A and B)
475-0215	12/14	Exclusion - Discrimination (Coverage A and B)
475-0351	12/14	Exclusion - Employee Benefits Liability (Coverage B)
SIG 11 00	11/17	Signature Page



## SCHEDULE OF UNDERLYING POLICIES

**Insured:** SUPERIOR KNIFE LLC

**Effective on and after** 10/01/2020 12:01 A.M. Standard Time

**This Schedule is part of Policy Number:** UHC D713545 02

CARRIER, POLICY NUMBER & PERIOD	TYPE OF POLICY	APPLICABLE LIMITS OR AMOUNT OF INSURANCE	
(a) Carrier: CITIZENS INSURANCE COMPANY OF AMERICA Policy Number: ZBC D713544 02 Policy Period: 10/01/2020 TO 10/01/2021	Commercial General Liability	\$1,000,000	Occurrence/ Each Claim
	<input type="checkbox"/> Owned Autos	\$1,000,000	Personal Injury
	<input type="checkbox"/> Non-owned & Hired Autos	\$1,000,000	Advertising Injury
		\$2,000,000	General Aggregate
		\$2,000,000	Product/Completed Operations Aggregate
(b) Carrier: ALLMERICA FINANCIAL BENEFITS  Policy Number: AWC D713201 02 Policy Period: 10/01/2020 TO 10/01/2021	Comprehensive Automobile Liability including	Bodily Injury and Property Damage Liability Combined:	
	<input checked="" type="checkbox"/> Owned Autos	\$1,000,000	Each Accident
	<input checked="" type="checkbox"/> Non-Owned & Hired Autos	Bodily Injury	
		\$	Each Person
		\$	Each Accident
(c) Carrier:  Policy Number: Policy Period:	Garage Liability	Bodily Injury and Property Damage Liability Combined:	
	<input type="checkbox"/> Dealers		Each Accident
	<input type="checkbox"/> Service	Garage Operations	
		\$	Auto Only
		\$	Other than Auto Only
(d) Carrier: CITIZENS INSURANCE COMPANY OF ILLINOIS Policy Number: WCC D689285 02 Policy Period: 10/01/2020 TO 10/01/2021	Standard Workers' Compensation & Employers' Liability	<b>Coverage B – Employers Liability</b>	
		Bodily Injury by Accident	
		\$500,000	Each Accident
		Bodily Injury by Disease	
		\$500,000	Each Employee
	<b>NEW YORK ONLY:</b> The Umbrella Coverage for Workers' Compensation and Employers Liability is not applicable in situations where an employee is subject to the New York Workers' Compensation Law.	\$500,000	Aggregate

An "X" marked in the box provided indicates these broadening or optional coverage are provided in the Underlying Insurance



(e) Carrier: Policy Number: Policy Period:	Liquor Liability	\$ \$ \$ \$	Each Common Cause Other Aggregate Other
(f) Carrier: Policy Number: Policy Period:	Professional Liability	\$ \$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate Other
(g) Carrier: Policy Number: Policy Period:	Directors & Officers Liability	\$ \$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate Other
(h) Carrier: Policy Number: Policy Period:	Stop Gap Liability	Bodily Injury by Accident \$ Bodily Injury by Disease \$ \$	Each Accident Each Employee Aggregate
(i) Carrier: Policy Number: Policy Period:	Abuse and Molestation	\$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate
(j) Carrier: Policy Number: Policy Period:	Foreign	\$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate
(k) Carrier: CITIZENS INSURANCE COMPANY OF AMERICA Policy Number: ZBC D713544 02 Policy Period: 10/01/2020 TO 10/01/2021	Employee Benefits Liability	\$ \$1,000,000 \$ \$3,000,000	Each Occurrence Each Claim Other Aggregate
(l) Carrier: Policy Number: Policy Period:	Other	\$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate

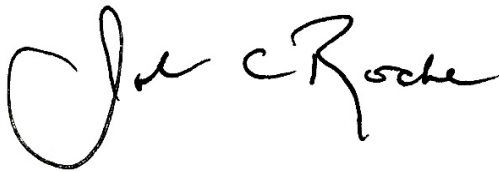
An "X" marked in the box provided indicates these broadening or optional coverage are provided in the Underlying Insurance

Countersigned By: \_\_\_\_\_  
Authorized Representative of the Company

Date: \_\_\_\_\_

THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

**In Witness Whereof**, this company has caused this policy to be signed by its President and Secretary and countersigned on the declarations page, where required, by a duly authorized agent of the company.

A handwritten signature in black ink, appearing to read "John C. Roche". The signature is fluid and cursive, with the first letter of each word being capitalized and prominent.

John C. Roche  
President

A handwritten signature in black ink, appearing to read "Charles F. Cronin". The signature is cursive, with the first letters of the first and last names being capitalized and prominent.

Charles Frederick Cronin  
Secretary



## **ILLINOIS INQUIRY NOTICE**

In accordance with Illinois statute 215 ILCS 5/143c, the following information is provided:

This notice is to advise you that should any complaints arise regarding this insurance, you may contact the following:

The Hanover Insurance Company, Massachusetts Bay Insurance Company, Citizens Insurance Company of America, Citizens Insurance Company of Midwest, Citizens Insurance Company of Illinois, Allmerica Financial Benefit Insurance Company, Allmerica Financial Alliance Insurance Company and The Hanover American Insurance Company, complaint department for policies written through agencies located in the state of Illinois is:

**Complaint Department  
The Hanover Insurance Group  
333 W. Pierce Road  
Suite 300  
Itasca, Illinois 60143  
1-800-685-5669**

The address of the Consumer Division or Public Services Section of the Illinois Department of Insurance is:

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
320 W. Washington Street  
Springfield, Illinois 62767  
Or**

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
122 S Michigan Ave 19<sup>th</sup> Floor  
Chicago, IL 60603  
1-312-814-2420**

**Or**

**<http://insurance.illinois.gov>**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **TRADE OR ECONOMIC SANCTIONS ENDORSEMENT**

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

## IMPORTANT INFORMATION ABOUT YOUR INSURANCE COMPANY

The Home Office address for the Insurance Company shown on the policy Declarations page is:

**Allmerica Financial Alliance Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**The Hanover American Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Allmerica Financial Benefit Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**The Hanover Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Campmed Casualty & Indemnity Company, Inc.**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**The Hanover Casualty Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of America**

*(A Stock Company)*

808 North Highlander Way  
Howell, MI 48843-1070

**Massachusetts Bay Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of Illinois**

*(A Stock Company)*

333 West Pierce Road, Suite 300  
Itasca, IL 60143-3114

**The Hanover New Jersey Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of the Midwest**

*(A Stock Company)*

9229 Delegates Row, Suite 100  
Indianapolis, IN 46240-3824

**Verlan Fire Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of Ohio**

*(A Stock Company)*

4400 Easton Commons Way, Suite 125  
Columbus, OH 43219-6223

**Nova Casualty Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

## **ILLINOIS INQUIRY NOTICE**

In accordance with Illinois statute 215 ILCS 5/143c and 50 IL Adm. Code 753, the following information is provided:

Hanover Insurance Company is a stock company with a corporate office at 440 Lincoln Street, Worcester, MA 01653.

This notice is to advise you that should any complaints arise regarding this insurance, you may contact the following:

The Hanover Insurance Company, Massachusetts Bay Insurance Company, Citizens Insurance Company of America, Citizens Insurance Company of Illinois and Allmerica Financial Benefit Insurance Company, complaint department for policies written through agencies located in the state of Illinois is:

**Complaint Department  
The Hanover Insurance Group  
333 W. Pierce Road Suite 300  
Itasca, Illinois 60143  
1-800-685-5669**

The address of the Consumer Division or Public Services Section of the Illinois Department of Insurance is:

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
320 W. Washington Street  
Springfield, Illinois 62767  
866-445-5364**

# HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

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## HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

Various provisions of this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

We will not pay sums or perform acts or services unless explicitly provided for in this policy.

Throughout this policy the words **you** and **your** refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy. The words **we**, **us** and **our** refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to the Definitions Section of this policy.

### I. INSURING AGREEMENTS

#### 1. Coverage A – Follow Form Excess Liability Insuring Agreement

- a. We will pay on behalf of the insured those sums in excess of the “underlying insurance” which the insured becomes legally obligated to pay as damages, provided:
  - (1) Such damages are covered by “underlying insurance”;
  - (2) The event which triggers coverage on the “underlying insurance” takes place during the policy period of this insurance, and
  - (3) The applicable Limit of Insurance of the “underlying insurance” is exhausted by payment of judgments, settlements, related costs or expenses for damages also covered under this policy. We will not pay if the Limit of Insurance of “underlying insurance” is exhausted by payment for damages to which this insurance does not also apply.
- b. We will not pay damages that the “underlying insurance” does not pay for any reason other than exhaustion of limits of the “underlying insurance” by payment of judgments, settlements, related costs or expenses.
- c. The terms and conditions of the “underlying insurance” in effect at the inception of this policy apply unless they are inconsistent with the terms and conditions of this policy.
- d. The amount we will pay for damages is limited as described in section **VI. LIMITS OF INSURANCE**.

- e. We have no obligation under this insurance with respect to any claim or “suit” settled without our consent.
- f. This policy does not apply to any part of loss within the Limit of Insurance of “underlying insurance”, or any related costs or expenses.
- g. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under section **II. DEFENSE AND SETTLEMENT** and section **V. SUPPLEMENTAL PAYMENTS**.

#### 2. Coverage B – Umbrella Liability Insuring Agreement

- a. We will pay on behalf of the insured those sums in excess of the “retained limit” shown in the Declarations which the insured becomes legally obligated to pay as damages because of “bodily injury”, “property damage”, “personal injury” and “advertising injury” to which this coverage applies, provided:
  - (1) The:
    - (a) “Bodily injury” or “property damage” is caused by an “occurrence”; or
    - (b) “Personal injury” and “advertising injury” is caused by an offense arising out of your business;
 Which took place within the coverage territory as described in section **IV. COVERAGE TERRITORY**;
  - (2) The “bodily injury” or “property damage” occurs during the policy period, and the offense causing “personal injury” or “advertising injury” is first committed during our policy period; and



- (3) Prior to the policy period, no insured and no "employee" authorized by you to give or receive notice of an "occurrence", offense or claim, knew that the "bodily injury", "property damage", "personal injury" or "advertising injury" had occurred, in whole or in part. If such an insured or authorized "employee" knew, prior to the policy period, that the "bodily injury", "property damage", "personal injury" or "advertising injury" occurred, then any continuation, change or resumption of such "bodily injury", "property damage", "personal injury" or "advertising injury" during or after the policy period will be deemed to have been known prior to the policy period. However, "bodily injury", "property damage", "personal injury" or "advertising injury" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured or by any "employee" authorized by you to give or receive notice of an "occurrence", offense or claim, includes any continuation, change or resumption of that "bodily injury", "property damage", "personal injury" or "advertising injury" after the end of the policy period.
- b. "Bodily injury", "property damage", "personal injury" or "advertising injury" will be deemed to have been known to have occurred at the earliest time when any insured, or any "employee" authorized by you to give or receive notice of an "occurrence", offense or claim:
- (1) Reports all or any part of the "bodily injury", "property damage", "personal injury" or "advertising injury" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury", "property damage", "personal injury" or "advertising injury"; or
  - (3) Becomes aware by any other means that "bodily injury", "property damage", "personal injury" or "advertising injury" has occurred or has begun to occur.
- c. **Coverage B – Umbrella Liability Insuring Agreement** does not apply to:
- (1) Any claim or "suit" which is covered by "underlying insurance" regardless of

whether or not the "underlying insurance" is available or the limits have been exhausted;

- (2) Any claim or "suit" covered by **Coverage A – Follow Form Excess Liability Insurance** of this policy; or
  - (3) Any costs or expenses related to loss as described by c.(1) or c.(2) above.
- d. The amount we will pay for damages is limited as described in section **VI. LIMITS OF INSURANCE**.
- e. We have no obligation under this insurance with respect to any claim or "suit" settled without our consent.
- f. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under section **II. DEFENSE AND SETTLEMENT** and section **V. SUPPLEMENTARY PAYMENTS**.

## II. DEFENSE AND SETTLEMENT

### 1. Coverage A – Follow Form Excess Liability Defense and Settlement:

- a. We have the right and duty to defend the insured against any "suit" seeking damages to which this insurance applies. If the "underlying insurer" defends a "suit" even if such "suit" is groundless, false or fraudulent, we will also defend such a "suit". We have no duty to defend any person or organization against any claim or "suit":
  - (1) To which this insurance does not apply; or
  - (2) If any other insurer has a duty to defend.
- b. Where we have the duty to defend, we may, at our discretion, investigate any occurrence or offense and settle any claim or "suit".
- c. Where we have no duty to defend, we have the right to participate in the investigation and settlement of any claim, and defense of any "suit", that we feel may create liability on our part under the terms and conditions of this policy. If we exercise this right, we will do so at our own expense.
- d. Our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements. However, if the Limits of Insurance of any "underlying insurance" are reduced by defense or claim expense

under the terms of that policy, then our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments, settlements, and defense or claim expense as defined in the “underlying insurance”.

**2. Coverage B – Umbrella Liability Defense and Settlement:**

- a. We have the right and duty to defend the insured against any “suit” because of “bodily injury”, “property damage”, “personal injury” or “advertising injury” to which this insurance applies, even if such “suit” is groundless, false or fraudulent. We have no duty to defend any person or organization against any claim or “suit”:
  - (1) To which this insurance does not apply; or
  - (2) If any other insurer has a duty to defend.
- b. Where we have the duty to defend, we may, at our discretion, investigate any “occurrence” or offense and settle any claim or “suit”.
- c. Where we have no duty to defend, we have the right to participate in the investigation and settlement of any claim, and defense of any “suit”, that we feel may create liability on our part under the terms and conditions of this policy. If we exercise this right, we will do so at our own expense.
- d. Our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements. However, if the Limits of Insurance of any “underlying insurance” are reduced by defense or claim expense under the terms of that policy, then our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments, settlements, and defense or claim expense as defined in the “underlying insurance”.

**III. WHO IS AN INSURED**

**1. Coverage A – Follow Form Excess Liability Who Is An Insured:**

The following persons or organizations qualify as an insured:

- a. The named insured stated in Item 1 of the Declarations; and
- b. Any other person or organization qualifying as an insured under the “underlying insurance” but not beyond the

extent of any limitation imposed under any contract or agreement.

If coverage provided to an Additional Insured is required by contract or agreement, the most we will pay on behalf of the Additional Insured is the amount of insurance required by the contract, less any amounts payable by “underlying insurance”.

Additional Insured coverage provided by this insurance will not be broader than coverage provided by the “underlying insurance”. The inclusion of Additional Insureds does not increase the Limit of Insurance.

**2. Coverage B – Umbrella Liability Who Is An Insured:**

- a. If you are designated in the Declarations as:
  - (1) An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - (2) A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - (3) A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - (4) An organization other than a partnership, joint venture or limited liability company, you are an insured. Your “executive officers” and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - (5) A trust, you are an insured. Your trustees are also insureds, but only with respect their duties as trustees.
- b. Each of the following is also an insured:
  - (1) Your “volunteer workers” only while performing duties related to the conduct of your business, or your “employees”, other than your “executive officers” (if you are an organization other than a partnership, joint venture or limited liability

company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these “employees” or “volunteer workers” is an insured for:

- (a) “Bodily injury”, “personal injury” or “advertising injury”:
  - (i) To you, to your partners or members (if you are a partnership or joint venture), to a co-“employee” while in the course of his or her employment or performing duties related to the conduct of your business, or to your other “volunteer workers” while performing duties related to the conduct of your business;
  - (ii) To the spouse, child, parent, brother or sister of the “employee” or “volunteer worker” as a consequence of paragraph (a)(1) above;
  - (iii) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (a)(1) or (a)(2) above; or
  - (iv) Arising out of his or her providing or failing to provide professional health care services.
- (b) “Property Damage” to property:
  - (i) Owned, occupied or used by;
  - (ii) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by; you, any of your “employees”, “volunteer workers”, any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- (2) Any person (other than your “employee” or “volunteer worker”), or any organization while acting as your real estate manager.

(3) Any person or organization having proper temporary custody of your property if you die, but only:

- (a) With respect to liability arising out of the maintenance or use of that property; and
  - (b) Until your legal representative has been appointed.
  - (4) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
  - c. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or a majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However,
    - (1) Coverage under this provision is afforded only until the 90<sup>th</sup> day after you acquire or form the organization or the end of the policy period, whichever is earlier.
    - (2) Coverage does not apply to “bodily injury” or “property damage” that occurred before you acquired or formed the organization; and
    - (3) Coverage does not apply to “personal injury” and “advertising injury” arising out of an offense committed before you acquired or formed the organization.
- No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

#### IV. COVERAGE TERRITORY

##### 1. Coverage A – Follow Form Excess Liability:

With respect to **Coverage A – Follow Form Excess Liability**, this insurance applies anywhere that the applicable “underlying insurance” applies.

##### 2. Coverage B – Umbrella Liability:

With respect to **Coverage B – Umbrella Liability**, this insurance applies anywhere in the world, with the exception of any country or jurisdiction subject to sanctions or embargo by the United States of America.

#### V. SUPPLEMENTAL PAYMENTS

Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

1. We will pay the following expenses in addition to the Limit of Insurance with respect to any claim we investigate or settle, or any “suit” against an insured we defend, to the extent such expenses are not covered by “underlying insurance” or “other insurance”:
  - a. All expenses we incur.
  - b. Up to \$2,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which this coverage applies. We do not have to furnish these bonds.
  - c. The premium costs of appellate bonds or bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.
  - d. Reasonable expenses incurred by an insured at our request to assist us in the investigation or defense of the claim or “suit”, including actual loss of earnings up to \$1000 a day because of time off from work.
  - e. All costs taxed against an insured in the “suit”, except any:
    - (1) Attorneys’ fees or litigation expenses; or
    - (2) Other loss, cost or expense in connection with any injunction or equitable relief.
  - f. Pre-judgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any pre-judgment interest based on that period of time after the offer.
  - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court that part of the judgment that is within our applicable limit of insurance.
2. Our obligation to make these payments ends when we have used up the applicable Limit of Insurance.
3. If the Limits of Insurance of any “underlying insurance” are reduced by defense expense or claim expense as defined under the terms of that policy, then any Supplemental Payments we make that meet the “underlying insurance” definition of defense expense or claim

expense will reduce our applicable Limits of Insurance in the same manner.

4. If the law of a country or jurisdiction prohibits us from paying a Supplementary Payment, we will reimburse you for a Supplementary Payment you have incurred with our consent.

**VI. LIMITS OF INSURANCE**

Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

1. The limits of insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or “suits” brought;
  - c. Persons or organizations making claims or bringing “suits”; or
  - d. Coverages provided by this policy.
2. The Products-Completed Operations Aggregate Limit shown in the Declarations is the most we will pay for the sum of all damages included in the “products - completed operations hazard”.
3. The General Aggregate Limit shown in the Declarations is the most we will pay for the sum of all damages to which this insurance applies, except:
  - a. Damages Included in the “products - completed operations hazard”; or
  - b. Otherwise covered by “underlying insurance”, but to which no aggregate limit in such “underlying insurance” applies.
4. Subject to the applicable Aggregate Limit, the Each Occurrence Limit shown in the Declarations is the most we will pay for damages arising out of any one “occurrence” or offense under **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability** combined, even if such loss is or otherwise would be covered in whole or part under more than one “underlying insurance”.
5. Any amount paid for loss will reduce the amount of the applicable Aggregate Limit available for any other payments.
6. If the applicable Aggregate Limit has been reduced to any amount that is less than the Each Occurrence Limit, the remaining amount of such applicable Aggregate Limit is the most that will be available for any other payments.
7. If the Limits of Insurance of any “underlying insurance” are reduced by defense or claim expenses under the terms of that policy, then any defense or claim expense payments we



make to defend any insured will reduce our applicable Limits of Insurance in the same manner.

8. The Aggregate Limits of this policy apply separately to each consecutive annual period. If our policy period is extended to a period greater than twelve (12) months, the extended period will be considered part of the original policy period for determining the Limits of Insurance.

## VII. EXCLUSIONS

1. Applicable to both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

This insurance does not apply to:

- a. **Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability**

Any liability or expense arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if claims are made or "suits" brought for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to liability or expense because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- b. **Asbestos**

"Bodily injury", "property damage", "personal injury" or "advertising injury" or

any other injury, damage, loss cost or expense arising out of any actual or alleged:

- (1) Inhaling, ingesting or prolonged physical exposure by any person to asbestos or asbestos fibers or goods or products containing asbestos;
- (2) Use of asbestos in constructing or manufacturing any good, product or structure;
- (3) Intentional or accidental removal including encapsulation, dispersal, sealing or disposal of asbestos or asbestos fibers from any good, product or structure;
- (4) Manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos;
- (5) Products manufactured, sold, handled or distributed by or on behalf of the insured which contain asbestos; or
- (6) Acts or omissions of the insured in connection with the general supervision of any job involving the removal, enclosure, encapsulation, dispersal, sealing or disposal of asbestos, asbestos fibers or products containing asbestos. General supervision includes the rendering of or failure to render any instructions, recommendations, warnings or advice.

- c. **Damage to Property**

"Property damage" or related expenses arising from damage to or loss of use of:

- (1) Real property owned, leased, occupied or in the care, custody or control of any insured;
- (2) Real property loaned to any insured;
- (3) That particular part of real property on which you or any contractors or subcontractors working directly on your behalf are performing operations, if the "property damage" arises out of those operations.
- (4) That particular part of any property that must be restored repaired or replaced because "your work" was incorrectly performed on it.
- (5) Personal property in the care, custody or control of the insured.
- (6) Paragraphs (2) and (3) above do not apply to liability assumed under a sidetrack agreement.

- (7) Paragraph (4) above does not apply to "property damage" included in the "Products Completed Operations Hazard".

**d. Employment Related Practices**

Any claim by or on behalf of:

- (1) A person arising out of any:
- (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) Any person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraph (1) above is directed.

This exclusion applies:

- (3) Whether you may be liable as an employer or in any other capacity; and
- (4) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**e. Miscellaneous Laws**

Any liability or expense under any of the following:

- (1) Any obligation of the insured under a workers' compensation, disability, benefits or unemployment compensation law or any similar law;
- (2) Any breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violations of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 (ERISA), as amended, or any similar local, state, federal or foreign law or regulations; or
- (3) Any uninsured or underinsured motorist, no-fault, medical payments, first party personal injury or similar law.

**f. Nuclear Liability**

"Nuclear Energy Hazards".

**g. Recall of Products, Work or Impaired Property**

Damages claimed for any loss of use, cost, or expense related to recall, withdrawal, disposal or removal of, inspection, repair or replacement of:

- (1) "Your product"
- (2) "Your work", or
- (3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**h. Recording and Distribution of Material in Violation of Law**

Any liability or expense arising out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) The Fair Credit Reporting Act (FCRA) and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

**i. War**

Any liability or expense arising out of "war".

**2. Applicable to Coverage A – Follow Form Excess Liability only:**

This insurance does not apply to:

**a. Pollution**

- (1) Any "bodily injury", "property damage", "personal injury" or "advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":



- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
  - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot originating from equipment that is used to heat, cool, or dehumidify the building, or equipment that is used to heat water for personal use by the building's occupants or their guests;
  - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site, or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured other than the additional insured; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.; or
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to

the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any

way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order, statutory, or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

However, paragraphs (2)(a) and (2)(b) above do not apply to liability for damages because of "property damage" that an insured would have in the absence of such request, demand, order or statutory or regulatory requirement or such claim or "suit" by or on behalf of a governmental authority.

(3) As used in this exclusion, a hostile fire is one which becomes uncontrollable or breaks out from where it was intended to be.

3. Applicable to **Coverage B – Umbrella Liability** only:

This insurance does not apply to:

a. **Aircraft, "Unmanned Aircraft", "Auto" or Watercraft:**

Any liability or expense arising out of the ownership, maintenance, operation, use, entrustment to others, or loading or unloading of any:

(1) Aircraft owned by you or rented, loaned or chartered by or on behalf of you without crew;

(2) "Unmanned aircraft";

(3) "Auto"; or

(4) Watercraft owned by you except watercraft while ashore on premises you own or rent.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision,

hiring, employment, training or monitoring of others by that insured.

b. **Contractual Liability**

Any liability for which any insured is obligated to pay damages by reason of the assumption of liability in any contract or agreement. This exclusion does not apply to liability for damages:

(1) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury", "personal injury", "advertising injury" or "property damage" occurs after the execution of the contract or agreement; or

(2) That any insured would have in the absence of the contract or agreement.

c. **Damage to "Your Product", "Your Work" or "Impaired Property"**

"Property damage" to:

(1) "Your product" arising out of it or any part of it; and

(2) "Your work" arising out of it or any part of it and included in the "products-completed operations hazard".

Paragraphs (1) and (2) above do not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

(3) "Impaired Property" or property that has not been physically injured, arising out of:

(a) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(b) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

d. **Directors and Officers**

Any liability or expense for a wrongful act, error, omission or breach of duty by an insured in the performance of the office of director, officer or trustee of an organization.

e. **Employers Liability**

Any injury to:

(1) Any "employee" of an insured arising out of and in the course of:

- (a) Employment by an insured; or
- (b) Performing duties related to the conduct of an insured's business; or
- (2) Any person as a consequence of paragraph (1) above.

This exclusion applies:

- (3) Whether an insured may be liable as an employer or in any other capacity; and
- (4) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by an insured under an "insured contract".

**f. Expected or Intended Injury**

"Bodily injury", "property damage", "personal injury" or "advertising injury" expected or intended from the standpoint of the insured.

This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

**g. Liquor Liability**

Any liability or expense for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person; or
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (4) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (5) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

**h. Maintenance, Prevention or Enhancement**

To any liability or expense incurred by an insured or any others for any:

- (1) maintenance or enhancement of any property; or
- (2) prevention of any injury or damage to any:
  - (a) person or organization; or
  - (b) property you own, rent or occupy.

**i. "Personal Injury" and "Advertising Injury"**

Any liability or expense for "personal injury" and "advertising injury":

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal injury" or "advertising injury";
- (2) Arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period;
- (4) Arising out of a criminal act committed by or at the direction of the insured;
- (5) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (6) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (7) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (8) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (9) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement" of copyright or slogan.

**(10) Arising out of:**

- (a)** The controlling, creating, designing or developing of another's internet site;
- (b)** The controlling, creating, designing, developing, determining or providing content or material of another's internet site;
- (c)** The controlling, facilitating or providing, or failing to control, facilitate or provide, access to the internet or another's internet site; or
- (d)** Publication of content or material on or from the internet, other than material developed by you or at your direction.

**(11)** Arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control;

**(12)** Arising out of the unauthorized use of another's name or product in your email address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**j. Pollution**

- (1)** "Bodily injury", "property damage", "personal injury" or "advertising injury" part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
- (2)** Any loss, cost or expense arising out of any:
  - (a)** Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b)** Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**k. Professional Liability**

Any liability or expense arising out of the rendering of or failure to render any professional or quasi-professional service (whether or not such service requires certification or licensing), advice or instruction by you or on your behalf, or from whom any of you assumed liability by reason of a contract or agreement, regardless of whether any such service, advice or instruction is ordinary to any insured's profession.

**l. Punitive Damages**

Any sum awarded for punitive damages, exemplary damages, multiplied damages, taxes, fines, or penalties.

**VIII. CONDITIONS**

Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

**1. Appeals**

We may elect to initiate or participate in an appeal of a judgment if such judgment could result in a payment under this insurance.

If we so elect, we shall be liable for all expenses we incur incidental to such appeal, but in no case will the amount we pay for loss exceed the Limits of Insurance.

**2. Bankruptcy**

The bankruptcy of any insured or insured's estate will not relieve us of our obligations under this policy.

In the event of bankruptcy or insolvency of the provider of any "underlying insurance", the insurance provided by this policy will not replace such "underlying insurance" and applies as though such "underlying insurance" was available and collectible.

**3. Cancellation and Non-Renewal**

- a.** The first Named Insured may cancel this policy by mailing or delivering to us, our authorized agent or broker, advance written notice of cancellation stating when the cancellation is to take effect.
- b.** We may cancel this policy or any of its individual coverages by mailing to the first Named Insured a written notice of cancellation at least:

- (1)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or



(2) 60 days before the effective date of cancellation if we cancel for any other reason.

- c. We will mail our notice to the first Named Insured's last mailing address known to us.
- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata.
- f. If we decide not to renew, we will mail to the first Named Insured written notice of non-renewal not less than sixty (60) days before the expiration date.
- g. Proof of mailing will be sufficient proof of notice.

#### 4. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured is authorized to make changes with our consent. This policy's terms can be amended or waived only by endorsement issued by us or made a part of this policy.

#### 5. Currency

All payments or reimbursements we make for damages because of judgments or settlements will be made in United States currency at the prevailing exchange rate at the time the insured became legally obligated to pay such sums.

#### 6. Duties in the Event of "Occurrence", Offense, Claim or "Suit"

- a. You must see to it that we are notified as soon as practicable of any "occurrence" or offense to which this insurance may apply. Notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature of any injury or damage arising out of the "occurrence" or offense.
- b. You will cooperate with the "underlying insurer" as required by the terms of their policies and comply with all terms and conditions of those policies.
- c. If a claim is made or "suit" is brought against any insured to which this

insurance may apply, you must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- d. You and any other involved insured must:
  - (1) Send us copies as soon as practicable of any demands, notices, summonses or legal papers received in connection with the claim or "suit" to which this insurance may apply;
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit";
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which in our opinion may be liable to an insured because of injury or damage to which this insurance applies;
  - (5) Notify us as soon as practicable of any judgment or settlement of any claim or "suit" brought against any insured; and
  - (6) Not voluntarily make a payment, assume any obligation or incur any expense without our consent, except at that insured's own cost.

#### 7. Examination of Your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward. We have the right to make copies of those books and records.

#### 8. First Named Insured

The person or organization first named in Item 1. of the Declarations is responsible for the payment of all premiums, the receiving of return premiums, the receipt and acceptance of this policy and any endorsements, and will act on behalf of all other insureds for the giving and receiving of notice of cancellation or any other notice required under this policy or by statute or regulation.

#### 9. Inspections and Surveys

- a. We have the right but not the duty to:
  - (1) Make inspections and surveys at any time;
  - (2) Give you reports on the conditions we find; and
  - (3) Recommend changes.
- b. Any inspections, surveys, reports or recommendations relate only to

insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions:

- (1) Are safe or healthful; or
- (2) Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

#### 10. Joint Duties in Non-Admitted Jurisdictions

With respect to an "occurrence", offense, claim or "suit" that arises in a non-admitted jurisdiction and to which this insurance applies:

- a. If we are prevented by law in any country or jurisdiction from fulfilling our duty to defend you or to investigate claims, you will be responsible for arranging for the defense or investigation under our supervision. We will reimburse you for all reasonable and necessary expense incurred which we would have paid if we had defended the "suit" or investigated the claim; and
- b. If we are prevented by law in any country or jurisdiction from paying damages to which this insurance applies, you may pay the damages with our consent. Upon proof of the payments, we will reimburse you for such damages subject to the applicable Limit of Insurance.

#### 11. Legal Action Against Us

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial, but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the Limits of Insurance.

An agreed settlement means a settlement and release of liability signed by us, an insured

and the claimant or the claimant's legal representative.

#### 12. Maintenance of "underlying insurance"

- a. You agree to maintain the "underlying insurance" in full force and effect during the term of this policy. "underlying insurance" will not be cancelled, non-renewed or rescinded without replacement coverage to which we agree. You must notify us as soon as practicable if any "underlying insurance" is no longer valid or in full force and effect.
- b. The terms and conditions of "underlying insurance" will not materially change, unless we agree otherwise. The terms and conditions or renewals or replacements of "underlying insurance" will be materially the same as prior coverage unless we agree otherwise.
- c. The total applicable limits of "underlying insurance" shall not decrease, except for any reduction or exhaustion of aggregate limits by payment of loss. Reduction or exhaustion of any aggregate limit of liability or limit of insurance in any "underlying insurance" by payments for judgments, settlements or expense will not be a failure to maintain "underlying insurance" in full force and effect.
- d. No statement contained in this Condition limits our right to cancel or not renew this policy.
- e. Your failure to comply will not invalidate this policy, but this policy will apply as if the "underlying insurance" was so maintained.

#### 13. Other Insurance

- a. This insurance is excess over any "other insurance", whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically purchased as excess over this policy.
- b. We have no duty to defend the insured against any claim or "suit" if any other insurer has a duty to defend such insured against that claim or "suit".
- c. This insurance is not subject to the terms or conditions of any "other insurance".
- d. We will pay only our share of the amount of loss, if any, that exceeds the sum of the total:
  - (1) Amount that all "other insurance" would pay for loss in the absence of this insurance; and



- (2) Of all deductible and self-insurance amounts under all "other insurance".

#### 14. Premium Audit

- a. We will compute all premiums for this policy in accordance with our rules, rates, rating plans, premiums and minimum premiums applicable to this insurance.
- b. If the premium for this policy is stated in the Declarations as being subject to adjustment, at the close of each audit period, we will compute the earned premium for that period using the rates and rating basis shown on the Declarations or as stated in an endorsement issued by us. Audit premiums are due and payable on notice to the first Named insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured, but not if such audit premium is less than the minimum premium shown in the Declarations.
- c. The first Named Insured must keep records of the information we need for premium computation and send us copies as we may request.

#### 15. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

If unintentionally you should fail to disclose all hazards at the inception of this policy, we shall not deny coverage under this policy because of such failure.

#### 16. Separation of Insureds

Except with respect to the Limits of Insurance and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" brought.

#### 17. Titles of Paragraphs

The titles of paragraphs in this policy are inserted solely for convenience or reference. Such titles do not limit, define or affect the provisions to which they relate.

#### 18. Transfer of Rights of Recovery Against Others to Us

If an insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. An insured must do nothing after loss to impair such rights. At our request, an insured will bring "suit" or transfer those rights to us and help us enforce them.

Any recoveries will be apportioned in the inverse order of payment of loss to the extent of actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of their respective recoveries.

#### 19. Transfer of Your Rights and Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent.

If you die, your rights and duties are transferred to your legal representative, but only while that legal representative is acting within the scope of their duties as such. Until your legal representative is appointed, anyone with proper temporary custody of your property will have your rights and duties but only with respect to that property.

### IX. DEFINITIONS

Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella**

1. **"Advertisement"** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purpose of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. **"Advertising Injury"** means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
  - a. The use of another's advertising idea in your "advertisement"; or
  - b. Infringing upon another's copyright or slogan in your "advertisement".
3. **"Auto"** means:
  - a. A land motor vehicle, trailer or semi-trailer designed for travel on public roads,

including any attached machinery or equipment; or

- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

4. **"Bodily injury"** means bodily injury, sickness or disease sustained by a person including death resulting from any of these at any time. "Bodily injury" includes mental anguish or other mental injury resulting from "bodily injury".
5. **"Employee"** includes a "leased worker". "Employee" does not include a "temporary worker".
6. **"Executive Officer"** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. **"Impaired property"** means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of the contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.
8. **"Insured contract"** means:
  - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement;

- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume, the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
  - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
    - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
  - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in paragraph (2) above and supervisory, inspection or engineering activities.
9. **"Leased Worker"** means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
  10. **"Loading or Unloading"** means the handling of property:
    - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
    - b. While it is in or on an aircraft, watercraft or "auto"; or

- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**11. "Mobile Equipment"** means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, fork-lifts and other vehicles designed by use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shoves, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos".

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck

chassis and used to raise or lower workers; and

- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**12. "Nuclear Energy Hazard"**

Any liability or expense:

- a. With respect to which an insured under this policy is also an insured under a nuclear energy policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any other similar foreign or domestic authority of any jurisdiction, or their successors, or would be an insured under any such policy of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- b. Resulting from the hazardous properties of nuclear material and with respect to which:
  - (1) Any person or entity is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, of any law amendatory thereof or of any similar law or regulation of any other foreign or domestic authority or jurisdiction; or
  - (2) Any insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America or any other foreign or domestic governmental entity or any agency thereof, under any agreement entered into by the United States of America, any other foreign or domestic governmental body or any agency thereof, with any person or organization.
- c. To "bodily injury" or "property damage" resulting from the hazardous properties of nuclear material, if:
  - (1) The nuclear material:

- (a) Is at any nuclear facility owned by or operated by or on behalf of an insured or,
- (b) Has been discharged or dispersed there from.
- (2) The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this paragraph c. applies only to "Property Damage" to such nuclear facility and any property thereat.

As used in this definition:

"Hazardous properties" include radioactive, toxic or explosive properties.

"Nuclear material" means source material, special nuclear material, or by-products material.

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor.

"Waste" means any waste material:

- (1) Containing by-product material other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content.
- (2) Resulting from the operation by any person or organization of any nuclear facility included under the first two paragraphs of the definition of nuclear facility.

"Nuclear facility" means:

- (1) Any nuclear reactor; or
- (2) Any equipment or device designated or used for:
  - (a) Separating the isotopes of uranium or plutonium; or

- (b) Processing or utilizing spent fuel; or
- (c) Handling, processing or packaging nuclear waste; or
- (3) Any equipment or device used for processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of an insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
- (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste; and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

- 13. "**Occurrence**" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 14. "**Other Insurance**" means any insurance that may provide coverage to any insured which this policy would also provide, and includes any type of self-insurance or other mechanism arranged for funding of loss. "Other insurance" does not include "underlying insurance" or insurance specifically purchased as excess over this policy.
- 15. "**Personal Injury**" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
  - a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;



- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

**16. "Pollutants"** mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**17. "Products-Completed Operations Hazard"**

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
  - (a) When all of the work called for in your contract has been completed.
  - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
  - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:
  - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
  - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
  - (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed

operations are subject to the General Aggregate Limit.

**18. "Property Damage" means:**

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

**19. "Retained Limit" means the amount stated as such in the Declarations for which the insured is responsible with respect to each "occurrence" under Coverage B – Umbrella Liability.**

**20. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" also includes:**

- a. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

**21. "Temporary Worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.**

**22. "Underlying insurance" means the liability insurance coverage provided under policies shown in the Schedule of Underlying Insurance for the limits and policy periods indicated. It includes any policies issued to replace those policies during the term of this insurance that provide:**

- a. At least the same limits of liability or limits of insurance; and
- b. The same hazards insured against, except as modified by general program revisions or as agreed to by us in writing.

**23. "Underlying Insurer" means any insurer who issues a policy of "underlying insurance".**

**24. "Unmanned aircraft" means an aircraft that is not:**

- a. Designed;

- b. Manufactured; or
  - c. Modified after manufacture;
- to be controlled directly by a person from within or on the aircraft.

**25. "War" means:**

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**26. "Your Product"**

- a. Means:
  - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
    - (a) You;
    - (b) Others trading under your name; or
    - (c) A person or organization whose business or assets you have acquired; and

- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
  - (2) The providing of or failure to provide warnings or instructions.
- c. Does not include** vending machines or other property rented to or located for the use of others but not sold.

**27. "Your Work"**

**a. Means:**

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – PROFESSIONAL LIABILITY  
(COVERAGE A)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph **2**. Applicable to **Coverage A – Follow Form Excess Liability** only:

This insurance does not apply to:

**Professional Services**

Any liability or expense arising out of the rendering of or failure to render any professional service, advice or instruction by you or on your behalf, or from whom any of you assumed liability by reason of a contract or agreement, regardless of whether any such service, advice or instruction is ordinary to any insured's profession.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ILLINOIS CHANGES

This endorsement modifies insurance provided under the following:

### HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A.** The term "spouse", wherever found within this policy, is replaced by the following:

Spouse or party to a civil union recognized under Illinois law.

- B.** The following is added to section **II. DEFENSE AND SETTLEMENT**, paragraph **1. Coverage A – Follow Form Excess Liability Defense and Settlement**, and paragraph **2. Coverage B – Umbrella Liability Defense and Settlement**:

1. The provisions of paragraph **2.** Below are added to all Insuring Agreements that set forth a duty to defend. Paragraph **2.** also applies to any other provision in the policy that sets forth a duty to defend.

2. If we initially defend an insured ("insured") or pay for an insured's ("insured's") defense but later determine that the claim(s) is (are) not covered under this insurance, we will have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement for the defense costs under this provision will only apply to defense costs we have incurred after we notify such insured ("insured") in writing that there may not be coverage, and that we are reserving our rights to terminate the defense and seek reimbursement for defense costs.

- C.** Section **VII. EXCLUSIONS**, paragraph **3.** Applicable to **Coverage B – Umbrella Liability** only, subparagraph **I. Punitive Damages** is replaced by the following:

**I. Punitive Damages**

Any sum awarded for punitive damages, exemplary damages, multiplied damages, taxes, fines or penalties.

Should "suit" be brought against an insured for which coverage is provided herein and such "suit" seek both compensatory and punitive or exemplary damages, then we will afford a defense to such "suit" without liability, however, for such punitive or exemplary damages.

- D.** Section **VIII CONDITIONS**, paragraph **3. Cancellation and Non-Renewal** is replaced by the following:

**3. Cancellation and Non-Renewal**

- a** The first Named Insured shown in the Declarations may cancel this policy by mailing to us advance written notice of cancellation.
- b.** We may cancel this policy by mailing to you, written notice stating the reason for cancellation. If we cancel:
  - (1) For nonpayment of premium, we will mail the notice at least 10 days prior to the effective date of cancellation.
  - (2) For a reason other than nonpayment of premium, we will mail the notice at least:
    - (a) 30 days prior to the effective date of cancellation if the policy has been in effect for 60 days or less.
    - (b) 60 days prior to the effective date of cancellation if the policy has been in effect for more than 60 days.
- c.** If this policy has been in effect for more than 60 days or is a renewal or continuation policy, we may cancel only for one or more of the following reasons:
  - (1) Nonpayment of premium;
  - (2) The policy was obtained through a material misrepresentation;
  - (3) Any insured has violated any of the terms and conditions of the policy;
  - (4) The risk originally accepted has measurably increased;
  - (5) Certification to the Director of Insurance of the loss of reinsurance by the insurer that provided coverage to us for all or a substantial part of the underlying risk insured; or
  - (6) A determination by the Director of Insurance that the continuation of the policy could place us in violation of the insurance laws of this State.

- d. We will mail our notice to you, at your last mailing address known to us. Proof of mailing will be sufficient proof of notice.
- e. Notification of cancellation will also be sent to your broker, if known, or agent of record, if known.
- f. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- g. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be less than pro rata. The cancellation will be effective even if we have not offered a refund.
- h. If we decide not to renew or continue this policy, we will mail you written notice, stating the reason for nonrenewal, at least:
  - (1) 60 days before the end of the policy period for all policies other than those described in f.(2); or
  - (2) 30 days before the end of the policy period for all commercial excess and umbrella liability policies as defined in 215 ILL. COMP. STAT. 143.13.(h). The nonrenewal shall not become effective until at least 30 days from the proof of mailing date of the notice to you.
- b. Proof of mailing will be sufficient proof of notice.
- c. Notification of nonrenewal will also be sent to your broker, if known, or agent of record, if known.
- i. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
- j. If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.
- k. We will mail cancellation and nonrenewal notices to you, and the agent or broker, at the last addresses known to us. Proof of mailing will be sufficient proof of notice.

For the purposes of Paragraph f.(2), commercial excess and umbrella liability policies are defined in 215 ILL. COMP. STAT. 143.13.(h) as follows:

- (h) "Commercial excess and umbrella liability policy" means a policy written over one or more underlying policies for an insured:
  - (1) that has at least 25 full-time employees at the time the commercial excess and umbrella liability policy is written and procures the insurance of any risk or risks, other than life, accident and health, and annuity contracts, as described in clauses (a) and (b) of Class 1 of Section 4 and clause (a) of Class 2 of Section 4, by use of the services of a full-time employee acting as an insurance manager or buyer; or
  - (2) whose aggregate annual premiums for all property and casualty insurance on all risks is at least \$50,000.

**E. The following is added to section VIII. CONDITIONS:**

**Right to Claim Information**

- a. If required by applicable law or regulation, and subject to paragraph e. below, we will provide the first Named Insured shown in the Declarations, within thirty (30) days of the insured's written request or at the same time as any notice of cancellation or nonrenewal, the following information relating to this and any preceding claims-made insurance we have issued to you during the previous three years:
  - (1) Information concerning closed claims limited to the date and description of claims, total amount of payments and total reserves, if any; and
  - (2) Information concerning open claims limited to the date and description of claims, total amount of payments and total reserves, in any; and
  - (3) Information concerning claims not included in subparagraphs (1) and (2) above limited to the date and description of claims and total reserves, if any.
- b. Subject to paragraph e. below, we will provide the first Named Insured shown in the Declarations, within twenty (20) days after receipt of written request by the Named Insured, detailed claims information in addition to that provided under paragraph a. above, including specific reserve amounts.
- c. Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values. You must not disclose this information to any claimant or claimant's representative without our consent.
- d. We compile claim information for our own business purposes and exercise reasonable

care in doing so. In providing this information to the first Named Insured we make no representations or warranties.

- e. We will not provide the information included in paragraphs **a.** and **b.** above if this policy has been cancelled for nonpayment or premium, material misrepresentations or fraud on the part of the insured.

Cancellation or nonrenewal will be effective even if we inadvertently fail to provide this information, or provide inaccurate or incomplete information.

- F. The following is added to any **Extended Reporting Period**:

The percentage in the table relating to length of Extended Reporting Period will be applied to the expiring annual premium.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – LEAD (COVERAGE A AND B)

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

### **Lead**

Any liability or expense arising out of any actual or alleged presence of or exposure to lead including but not limited to:

- (1) Inhaling, ingesting or prolonged physical exposure by any person to any premises, structure, goods or products containing lead;
- (2) The use of lead in constructing or manufacturing any good, product or structure;

- (3) Intentional or accidental removal including encapsulation, dispersal, sealing or disposal of any good, product or structure containing lead;
- (4) The manufacturing, transportation, storage or disposal of goods or products containing lead;
- (5) Any product manufactured, sold, handled or distributed by or on behalf of the insured which contains lead; or
- (6) Acts or omissions of the insured in connection with the general supervision of any job involving the removal, enclosure, encapsulation, dispersal, sealing, or disposal of products or materials containing lead.

General supervision includes the rendering of or failure to render any instructions, recommendations, warnings, or advice.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A.** The following exclusion is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

**Terrorism Punitive Damages**

Damages arising, directly or indirectly, out of a "certified act of terrorism" which are awarded as punitive damages.

- B.** For the purpose of this endorsement, the following definition is added to section **IX. DEFINITIONS**:

**"Certified act of terrorism"** means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Insurance Act, to be an act of terrorism pursuant such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

- a.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  - b.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – FUNGI OR BACTERIA LIABILITY (COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

### **Fungi or Bacteria**

Any liability or expense arising out of “fungi” or bacteria which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any “fungi” or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product

contributed concurrently or in any sequence to such injury or damage.

- (1) This exclusion also applies to any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, “fungi” or bacteria, by you or by any other person or entity.
- (2) For the purposes of this exclusion, “fungi” means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by “fungi”.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – SILICA (COVERAGE A AND B)

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

**“Silica” or “Silica-Related Dust”**

Any liability or expense arising out of any actual, alleged, threatened or suspected:

- (1) Inhalation of, or ingestion of, “silica” or “silica-related dust”;
- (2) Threatened or suspected contact with, exposure to, existence of, or presence of, “silica” or “silica-related dust”; or

- (3) Any loss cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, “silica” or “silica-related dust”, by any insured or by any other person or entity.

For the purpose of this exclusion, the following definitions are added:

**“Silica”** means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.

**“Silica-related dust”** means a mixture or combination of silica and other dust or particles.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – TOTAL POLLUTION WITH HOSTILE FIRE EXCEPTION (COVERAGE A)

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A. Section VII. EXCLUSIONS, paragraph 2.**  
Applicable to **Coverage A – Follow Form Excess**  
Only, subparagraph **a.** is replaced by the following:

This insurance does not apply to:

**a. Pollution**

- (1)** Any liability or expense which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release, or escape of “pollutants” at any time.
- (a)** This exclusion does not apply to “bodily injury” or “property damage” arising out of heat, smoke or fumes from a “hostile fire” unless that “hostile fire” occurred or originated:
  - (i)** At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or
  - (ii)** At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured’s behalf are performing operations to test for,

monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to, or assess the effects of “pollutants”;

- (2)** Any loss, cost or expense arising out of any:

- (a)** Request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, “pollutants”; or
- (b)** Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way respond to, or assess the effects of “pollutants”.

- B.** For the purpose of this exclusion, the following definition is added to section **IX DEFINITIONS**:

**“Hostile fire”** means one which becomes uncontrollable or breaks out from where it was intended to be.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ILLINOIS EXCLUSION – ABUSE AND MOLESTATION  
(COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

**Abuse and Molestation**

Any liability or expense arising out of the actual or threatened abuse or molestation by anyone of any person regardless whether the abuse or molestation was specifically intended or resulted from negligent conduct and regardless whether any insured subjectively intended the injury or damage for which a claim is made.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – DISCRIMINATION (COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

### **Discrimination**

Any liability or expense arising out of discrimination or humiliation based upon, but not limited to:

- |                         |   |
|-------------------------|---|
| (1) Age;                | (5) Race;   |
| (2) Gender;             | (6) Nationality;  |
| (3) Sexual orientation; | (7) National origin;  |
| (4) Marital Status;     | (8) Religion;   |
|                         | (9) Creed;  |
|                         | (10) Mental capabilities or condition;  |
|                         | (11) Physical capabilities, characteristics or condition;<br>or   |
|                         | (12) Any violation of a local, state, federal or foreign<br>law or regulation relating to discrimination. |

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – EMPLOYEE BENEFITS LIABILITY (COVERAGE B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A.** The following is added to section **VII. EXCLUSIONS**, paragraph **3**. Applicable to **Coverage B – Umbrella Liability** only:

This insurance does not apply to:

**Employee Benefits Liability**

Any liability or expense arising out of the “administration” of an “insured’s employee benefit program”.

- B.** For the purposes of this endorsement, the following definitions are added to section **IX. DEFINITIONS**:

“**Administration**” means:

- a.** Giving counsel to employees with respect to “employee benefit programs”;

- b.** Interpreting “employee benefit programs”;

- c.** Handling of records in connection with “employee benefits programs”; and

- d.** Effecting enrollment of employees under “employee benefit programs”.

“**Employee benefit program**” means life insurance, accident or health insurance, pension plans, workers’ compensation, unemployment insurance, social security and disability benefits, investment programs, loan or financial assistance programs, and any other similar benefit program.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



UHC D713545 02  
1309516  
Original Insured

SUPERIOR KNIFE LLC

1281 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007

SUPERIOR KNIFE LLC  
1281 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007

SUPERIOR KNIFE LLC

1281 ARTHUR AVE  
ELK GROVE VILLAGE IL  
60007

THIS NOTICE IS PROVIDED IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS NOTICE DOES NOT GRANT COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF COVERAGE UNDER THE POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

### Schedule

<b>Disclosure of Premium:</b>	
Total Terrorism Premium	\$ 75
Fire Following Premium	\$
Other than Fire Following Premium	\$

### Disclosure of Terrorism Coverage Available

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from "acts of terrorism" defined in Section 102(1) of the Act as follows:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

The premium charged for this coverage is provided in the Schedule above and does not include any charges for the portion of loss that may be covered by the Federal Government as described below.

Your policy may contain other exclusions which could affect your coverage, such as an exclusion for Nuclear Events or Pollution. **Please read your policy carefully.**

### Note for Commercial Property or Commercial Inland Marine Policyholders in Standard Fire States:

In your state, a terrorism exclusion makes an exception for (and therefore provides coverage for) fire losses resulting from an act of terrorism. If you reject the offer of terrorism coverage, therefore, that rejection does not apply to fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy. The additional premium just for such fire coverage is shown in the Schedule above.

### Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

**Cap on Insurer Participation in Payment of Terrorism Losses**

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers' liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**Rejection of Terrorism Insurance Coverage**

☐ I decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

\_\_\_\_\_  
Applicant/Policyholder Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Hanover Insurance Company

\_\_\_\_\_  
Insurance Company

\_\_\_\_\_  
UHC D713545 02

\_\_\_\_\_  
Quote or Policy Number



RENEWAL OF POLICY UHC D713545 01

**COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY**

**THESE DECLARATIONS, TOGETHER WITH THE COVERAGE FORM(S) AND ANY ENDORSEMENT(S),  
COMPLETE THE BELOW NUMBERED POLICY.**

POLICY NUMBER: UHC D713545 02  
COMPANY: Hanover Insurance Company

**DECLARATIONS****Item 1. Named Insured and Address**

(No., Street, Town, County, State)

**Agent**

SUPERIOR KNIFE LLC  
1281 ARTHUR AVE  
ELK GROVE VILLAGE IL 60007

1309516  
ACRISURE LLC DBA PRESIDIO  
55 SHUMAN BLVD STE 900  
NAPERVILLE IL 60563

**Item 2. Policy Period:** (Month, Day, Year)

From 10/01/2020 To 10/01/2021

12:01 A. M., standard time at the address of the Named Insured as stated herein.

**Form of Business:**

- ☐ Individual      ☐ Partnership      ☐ Corporation      ☒ Limited Liability Company  
☐ Organization (Other than Partnership, Joint Venture or Limited Liability Company)

**Business Description: Knife Sharpening Company**

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY. THIS PREMIUM MAY BE SUBJECT TO AUDIT.

**Item 3. Limit of Insurance**

<b>Each Occurrence or Each Claim Limit:</b>	\$4,000,000
<b>Products – Completed Operations Aggregate Limit:</b>	\$4,000,000
<b>General Aggregate Limit</b>	\$4,000,000

<b>Retained Limit:</b>	\$0
------------------------	-----

**Item 4. Premium Computation:**

<b>Estimated Annual Premium</b>	\$5,210.00
<b>Premium Surcharges</b>	\$
<b>(Premium Surcharges NOT APPLICABLE in New York)</b>	
<b>Annual Minimum Premium</b>	\$5,210.00
<b>Advance Premium</b>	\$5,210.00

**Endorsements:**

See next page



- ☐ PREPAID - the total annual premium is due at inception.
- ☐ HANOCASH - the annual premium is payable according to the term of the Hanocash endorsement attached.
- ☐ ACCOUNT BILL    ☒ DIRECT BILL    ☐ Annual    ☐ Semi-Annual    ☐ Other

Audit period: Non Auditable Unless indicated by    ☐ Annual    ☐ Semi-Annual    ☐ Other

If you cancel this policy, we shall receive and retain not less than NIL as a policy minimum premium.



### Forms Applicable To This Policy:

\*Asterisk denotes new or changed form

<b><u>Form Number</u></b>	<b><u>Form Edition</u></b>	<b><u>Description</u></b>
331-0053	08/16	Illinois Inquiry Notice
401-1337	02/16	Trade Or Economic Sanctions Endorsement
* 401-1374	01/15	Disclosure Pursuant To Terrorism Risk Insurance Act
* 401-1377	06/20	Company Address Listing
401-1379	12/14	Illinois Inquiry Notice
475-0001	01/18	Hanover Commercial Follow Form Excess And Umbrella Policy
475-0031	12/14	Exclusion - Professional Liability (Coverage A)
475-0038	08/18	Illinois Changes
475-0057	12/14	Exclusion - Lead (Coverage A and B)
475-0066	01/15	Cap on Losses From Certified Acts of Terrorism
475-0070	01/15	Exclusion of Punitive Damages Related To A Certified Act Of Terrorism
475-0080	12/14	Exclusion - Fungi Or Bacteria Liability (Coverage A and B)
475-0084	12/14	Exclusion - Silica (Coverage A and B)
475-0092	12/14	Exclusion - Total Pollution With Hostile Fire Exception (Coverage A)
475-0100	12/14	Illinois Exclusion - Abuse and Molestation (Coverage A and B)
475-0215	12/14	Exclusion - Discrimination (Coverage A and B)
475-0351	12/14	Exclusion - Employee Benefits Liability (Coverage B)
SIG 11 00	11/17	Signature Page





## SCHEDULE OF UNDERLYING POLICIES

**Insured:** SUPERIOR KNIFE LLC

**Effective on and after** 10/01/2020 12:01 A.M. Standard Time

**This Schedule is part of Policy Number:** UHC D713545 02

CARRIER, POLICY NUMBER & PERIOD	TYPE OF POLICY	APPLICABLE LIMITS OR AMOUNT OF INSURANCE	
(a) Carrier: CITIZENS INSURANCE COMPANY OF AMERICA Policy Number: ZBC D713544 02 Policy Period: 10/01/2020 TO 10/01/2021	Commercial General Liability	\$1,000,000	Occurrence/ Each Claim
	<input type="checkbox"/> Owned Autos	\$1,000,000	Personal Injury
	<input type="checkbox"/> Non-owned & Hired Autos	\$1,000,000	Advertising Injury
		\$2,000,000	General Aggregate
		\$2,000,000	Product/Completed Operations Aggregate
(b) Carrier: ALLMERICA FINANCIAL BENEFITS  Policy Number: AWC D713201 02 Policy Period: 10/01/2020 TO 10/01/2021	Comprehensive Automobile Liability including	Bodily Injury and Property Damage Liability Combined:	
	<input checked="" type="checkbox"/> Owned Autos	\$1,000,000	Each Accident
	<input checked="" type="checkbox"/> Non-Owned & Hired Autos	Bodily Injury	
		\$	Each Person
		\$	Each Accident
(c) Carrier:  Policy Number: Policy Period:	Garage Liability	Bodily Injury and Property Damage Liability Combined:	
	<input type="checkbox"/> Dealers		Each Accident
	<input type="checkbox"/> Service	Garage Operations	
		\$	Auto Only
		\$	Other than Auto Only
(d) Carrier: CITIZENS INSURANCE COMPANY OF ILLINOIS Policy Number: WCC D689285 02 Policy Period: 10/01/2020 TO 10/01/2021	Standard Workers' Compensation & Employers' Liability	<b>Coverage B – Employers Liability</b>	
		Bodily Injury by Accident	
		\$500,000	Each Accident
		Bodily Injury by Disease	
		\$500,000	Each Employee
<b>NEW YORK ONLY:</b> The Umbrella Coverage for Workers' Compensation and Employers Liability is not applicable in situations where an employee is subject to the New York Workers' Compensation Law.		\$500,000	Aggregate

An "X" marked in the box provided indicates these broadening or optional coverage are provided in the Underlying Insurance



(e) Carrier: Policy Number: Policy Period:	Liquor Liability	\$ \$ \$ \$	Each Common Cause Other Aggregate Other
(f) Carrier: Policy Number: Policy Period:	Professional Liability	\$ \$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate Other
(g) Carrier: Policy Number: Policy Period:	Directors & Officers Liability	\$ \$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate Other
(h) Carrier: Policy Number: Policy Period:	Stop Gap Liability	Bodily Injury by Accident \$ Bodily Injury by Disease \$ \$	Each Accident Each Employee Aggregate
(i) Carrier: Policy Number: Policy Period:	Abuse and Molestation	\$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate
(j) Carrier: Policy Number: Policy Period:	Foreign	\$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate
(k) Carrier: CITIZENS INSURANCE COMPANY OF AMERICA Policy Number: ZBC D713544 02 Policy Period: 10/01/2020 TO 10/01/2021	Employee Benefits Liability	\$ \$1,000,000 \$ \$3,000,000	Each Occurrence Each Claim Other Aggregate
(l) Carrier: Policy Number: Policy Period:	Other	\$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate

An "X" marked in the box provided indicates these broadening or optional coverage are provided in the Underlying Insurance

Countersigned By: \_\_\_\_\_  
Authorized Representative of the Company

Date: \_\_\_\_\_

THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

**In Witness Whereof**, this company has caused this policy to be signed by its President and Secretary and countersigned on the declarations page, where required, by a duly authorized agent of the company.

A handwritten signature in black ink, appearing to read "John C. Roche". The signature is fluid and cursive, with the first letter of each name being capitalized and prominent.

John C. Roche  
President

A handwritten signature in black ink, appearing to read "Charles F. Cronin". The signature is cursive, with the first letters of the first and last names being capitalized and prominent.

Charles Frederick Cronin  
Secretary

## **ILLINOIS INQUIRY NOTICE**

In accordance with Illinois statute 215 ILCS 5/143c, the following information is provided:

This notice is to advise you that should any complaints arise regarding this insurance, you may contact the following:

The Hanover Insurance Company, Massachusetts Bay Insurance Company, Citizens Insurance Company of America, Citizens Insurance Company of Midwest, Citizens Insurance Company of Illinois, Allmerica Financial Benefit Insurance Company, Allmerica Financial Alliance Insurance Company and The Hanover American Insurance Company, complaint department for policies written through agencies located in the state of Illinois is:

**Complaint Department  
The Hanover Insurance Group  
333 W. Pierce Road  
Suite 300  
Itasca, Illinois 60143  
1-800-685-5669**

The address of the Consumer Division or Public Services Section of the Illinois Department of Insurance is:

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
320 W. Washington Street  
Springfield, Illinois 62767  
Or**

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
122 S Michigan Ave 19<sup>th</sup> Floor  
Chicago, IL 60603  
1-312-814-2420**

**Or**

**<http://insurance.illinois.gov>**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **TRADE OR ECONOMIC SANCTIONS ENDORSEMENT**

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

## IMPORTANT INFORMATION ABOUT YOUR INSURANCE COMPANY

The Home Office address for the Insurance Company shown on the policy Declarations page is:

**Allmerica Financial Alliance Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**The Hanover American Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Allmerica Financial Benefit Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**The Hanover Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Campmed Casualty & Indemnity Company, Inc.**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**The Hanover Casualty Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of America**

*(A Stock Company)*

808 North Highlander Way  
Howell, MI 48843-1070

**Massachusetts Bay Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of Illinois**

*(A Stock Company)*

333 West Pierce Road, Suite 300  
Itasca, IL 60143-3114

**The Hanover New Jersey Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of the Midwest**

*(A Stock Company)*

9229 Delegates Row, Suite 100  
Indianapolis, IN 46240-3824

**Verlan Fire Insurance Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002

**Citizens Insurance Company of Ohio**

*(A Stock Company)*

4400 Easton Commons Way, Suite 125  
Columbus, OH 43219-6223

**Nova Casualty Company**

*(A Stock Company)*

440 Lincoln Street  
Worcester, MA 01653-0002



## **ILLINOIS INQUIRY NOTICE**

In accordance with Illinois statute 215 ILCS 5/143c and 50 IL Adm. Code 753, the following information is provided:

Hanover Insurance Company is a stock company with a corporate office at 440 Lincoln Street, Worcester, MA 01653.

This notice is to advise you that should any complaints arise regarding this insurance, you may contact the following:

The Hanover Insurance Company, Massachusetts Bay Insurance Company, Citizens Insurance Company of America, Citizens Insurance Company of Illinois and Allmerica Financial Benefit Insurance Company, complaint department for policies written through agencies located in the state of Illinois is:

**Complaint Department  
The Hanover Insurance Group  
333 W. Pierce Road Suite 300  
Itasca, Illinois 60143  
1-800-685-5669**

The address of the Consumer Division or Public Services Section of the Illinois Department of Insurance is:

**Illinois Department of Insurance  
Consumer Division or Public Services Section  
320 W. Washington Street  
Springfield, Illinois 62767  
866-445-5364**

# HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

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## HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

Various provisions of this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

We will not pay sums or perform acts or services unless explicitly provided for in this policy.

Throughout this policy the words **you** and **your** refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy. The words **we**, **us** and **our** refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to the Definitions Section of this policy.

### I. INSURING AGREEMENTS

#### 1. Coverage A – Follow Form Excess Liability Insuring Agreement

- a. We will pay on behalf of the insured those sums in excess of the “underlying insurance” which the insured becomes legally obligated to pay as damages, provided:
  - (1) Such damages are covered by “underlying insurance”;
  - (2) The event which triggers coverage on the “underlying insurance” takes place during the policy period of this insurance, and
  - (3) The applicable Limit of Insurance of the “underlying insurance” is exhausted by payment of judgments, settlements, related costs or expenses for damages also covered under this policy. We will not pay if the Limit of Insurance of “underlying insurance” is exhausted by payment for damages to which this insurance does not also apply.
- b. We will not pay damages that the “underlying insurance” does not pay for any reason other than exhaustion of limits of the “underlying insurance” by payment of judgments, settlements, related costs or expenses.
- c. The terms and conditions of the “underlying insurance” in effect at the inception of this policy apply unless they are inconsistent with the terms and conditions of this policy.
- d. The amount we will pay for damages is limited as described in section **VI. LIMITS OF INSURANCE**.

- e. We have no obligation under this insurance with respect to any claim or “suit” settled without our consent.
- f. This policy does not apply to any part of loss within the Limit of Insurance of “underlying insurance”, or any related costs or expenses.
- g. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under section **II. DEFENSE AND SETTLEMENT** and section **V. SUPPLEMENTAL PAYMENTS**.

#### 2. Coverage B – Umbrella Liability Insuring Agreement

- a. We will pay on behalf of the insured those sums in excess of the “retained limit” shown in the Declarations which the insured becomes legally obligated to pay as damages because of “bodily injury”, “property damage”, “personal injury” and “advertising injury” to which this coverage applies, provided:
  - (1) The:
    - (a) “Bodily injury” or “property damage” is caused by an “occurrence”; or
    - (b) “Personal injury” and “advertising injury” is caused by an offense arising out of your business;
 Which took place within the coverage territory as described in section **IV. COVERAGE TERRITORY**;
  - (2) The “bodily injury” or “property damage” occurs during the policy period, and the offense causing “personal injury” or “advertising injury” is first committed during our policy period; and

- (3) Prior to the policy period, no insured and no "employee" authorized by you to give or receive notice of an "occurrence", offense or claim, knew that the "bodily injury", "property damage", "personal injury" or "advertising injury" had occurred, in whole or in part. If such an insured or authorized "employee" knew, prior to the policy period, that the "bodily injury", "property damage", "personal injury" or "advertising injury" occurred, then any continuation, change or resumption of such "bodily injury", "property damage", "personal injury" or "advertising injury" during or after the policy period will be deemed to have been known prior to the policy period. However, "bodily injury", "property damage", "personal injury" or "advertising injury" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured or by any "employee" authorized by you to give or receive notice of an "occurrence", offense or claim, includes any continuation, change or resumption of that "bodily injury", "property damage", "personal injury" or "advertising injury" after the end of the policy period.
- b. "Bodily injury", "property damage", "personal injury" or "advertising injury" will be deemed to have been known to have occurred at the earliest time when any insured, or any "employee" authorized by you to give or receive notice of an "occurrence", offense or claim:
- (1) Reports all or any part of the "bodily injury", "property damage", "personal injury" or "advertising injury" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury", "property damage", "personal injury" or "advertising injury"; or
  - (3) Becomes aware by any other means that "bodily injury", "property damage", "personal injury" or "advertising injury" has occurred or has begun to occur.
- c. **Coverage B – Umbrella Liability Insuring Agreement** does not apply to:
- (1) Any claim or "suit" which is covered by "underlying insurance" regardless of

whether or not the "underlying insurance" is available or the limits have been exhausted;

- (2) Any claim or "suit" covered by **Coverage A – Follow Form Excess Liability Insurance** of this policy; or
  - (3) Any costs or expenses related to loss as described by c.(1) or c.(2) above.
- d. The amount we will pay for damages is limited as described in section **VI. LIMITS OF INSURANCE**.
- e. We have no obligation under this insurance with respect to any claim or "suit" settled without our consent.
- f. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under section **II. DEFENSE AND SETTLEMENT** and section **V. SUPPLEMENTARY PAYMENTS**.

## II. DEFENSE AND SETTLEMENT

### 1. Coverage A – Follow Form Excess Liability Defense and Settlement:

- a. We have the right and duty to defend the insured against any "suit" seeking damages to which this insurance applies. If the "underlying insurer" defends a "suit" even if such "suit" is groundless, false or fraudulent, we will also defend such a "suit". We have no duty to defend any person or organization against any claim or "suit":
  - (1) To which this insurance does not apply; or
  - (2) If any other insurer has a duty to defend.
- b. Where we have the duty to defend, we may, at our discretion, investigate any occurrence or offense and settle any claim or "suit".
- c. Where we have no duty to defend, we have the right to participate in the investigation and settlement of any claim, and defense of any "suit", that we feel may create liability on our part under the terms and conditions of this policy. If we exercise this right, we will do so at our own expense.
- d. Our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements. However, if the Limits of Insurance of any "underlying insurance" are reduced by defense or claim expense

under the terms of that policy, then our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments, settlements, and defense or claim expense as defined in the “underlying insurance”.

**2. Coverage B – Umbrella Liability Defense and Settlement:**

- a. We have the right and duty to defend the insured against any “suit” because of “bodily injury”, “property damage”, “personal injury” or “advertising injury” to which this insurance applies, even if such “suit” is groundless, false or fraudulent. We have no duty to defend any person or organization against any claim or “suit”:
  - (1) To which this insurance does not apply; or
  - (2) If any other insurer has a duty to defend.
- b. Where we have the duty to defend, we may, at our discretion, investigate any “occurrence” or offense and settle any claim or “suit”.
- c. Where we have no duty to defend, we have the right to participate in the investigation and settlement of any claim, and defense of any “suit”, that we feel may create liability on our part under the terms and conditions of this policy. If we exercise this right, we will do so at our own expense.
- d. Our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements. However, if the Limits of Insurance of any “underlying insurance” are reduced by defense or claim expense under the terms of that policy, then our duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments, settlements, and defense or claim expense as defined in the “underlying insurance”.

**III. WHO IS AN INSURED**

**1. Coverage A – Follow Form Excess Liability Who Is An Insured:**

The following persons or organizations qualify as an insured:

- a. The named insured stated in Item 1 of the Declarations; and
- b. Any other person or organization qualifying as an insured under the “underlying insurance” but not beyond the

extent of any limitation imposed under any contract or agreement.

If coverage provided to an Additional Insured is required by contract or agreement, the most we will pay on behalf of the Additional Insured is the amount of insurance required by the contract, less any amounts payable by “underlying insurance”.

Additional Insured coverage provided by this insurance will not be broader than coverage provided by the “underlying insurance”. The inclusion of Additional Insureds does not increase the Limit of Insurance.

**2. Coverage B – Umbrella Liability Who Is An Insured:**

- a. If you are designated in the Declarations as:
  - (1) An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - (2) A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - (3) A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - (4) An organization other than a partnership, joint venture or limited liability company, you are an insured. Your “executive officers” and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - (5) A trust, you are an insured. Your trustees are also insureds, but only with respect their duties as trustees.
- b. Each of the following is also an insured:
  - (1) Your “volunteer workers” only while performing duties related to the conduct of your business, or your “employees”, other than your “executive officers” (if you are an organization other than a partnership, joint venture or limited liability



company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these “employees” or “volunteer workers” is an insured for:

(a) “Bodily injury”, “personal injury” or “advertising injury”:

(i) To you, to your partners or members (if you are a partnership or joint venture), to a co-“employee” while in the course of his or her employment or performing duties related to the conduct of your business, or to your other “volunteer workers” while performing duties related to the conduct of your business;

(ii) To the spouse, child, parent, brother or sister of the “employee” or “volunteer worker” as a consequence of paragraph (a)(1) above;

(iii) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (a)(1) or (a)(2) above; or

(iv) Arising out of his or her providing or failing to provide professional health care services.

(b) “Property Damage” to property:

(i) Owned, occupied or used by;

(ii) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your “employees”, “volunteer workers”, any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

(2) Any person (other than your “employee” or “volunteer worker”), or any organization while acting as your real estate manager.

(3) Any person or organization having proper temporary custody of your property if you die, but only:

(a) With respect to liability arising out of the maintenance or use of that property; and

(b) Until your legal representative has been appointed.

(4) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

c. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or a majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However,

(1) Coverage under this provision is afforded only until the 90<sup>th</sup> day after you acquire or form the organization or the end of the policy period, whichever is earlier.

(2) Coverage does not apply to “bodily injury” or “property damage” that occurred before you acquired or formed the organization; and

(3) Coverage does not apply to “personal injury” and “advertising injury” arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

#### IV. COVERAGE TERRITORY

##### 1. Coverage A – Follow Form Excess Liability:

With respect to **Coverage A – Follow Form Excess Liability**, this insurance applies anywhere that the applicable “underlying insurance” applies.

##### 2. Coverage B – Umbrella Liability:

With respect to **Coverage B – Umbrella Liability**, this insurance applies anywhere in the world, with the exception of any country or jurisdiction subject to sanctions or embargo by the United States of America.

#### V. SUPPLEMENTAL PAYMENTS



Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

1. We will pay the following expenses in addition to the Limit of Insurance with respect to any claim we investigate or settle, or any “suit” against an insured we defend, to the extent such expenses are not covered by “underlying insurance” or “other insurance”:
  - a. All expenses we incur.
  - b. Up to \$2,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which this coverage applies. We do not have to furnish these bonds.
  - c. The premium costs of appellate bonds or bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.
  - d. Reasonable expenses incurred by an insured at our request to assist us in the investigation or defense of the claim or “suit”, including actual loss of earnings up to \$1000 a day because of time off from work.
  - e. All costs taxed against an insured in the “suit”, except any:
    - (1) Attorneys’ fees or litigation expenses; or
    - (2) Other loss, cost or expense in connection with any injunction or equitable relief.
  - f. Pre-judgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any pre-judgment interest based on that period of time after the offer.
  - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court that part of the judgment that is within our applicable limit of insurance.
2. Our obligation to make these payments ends when we have used up the applicable Limit of Insurance.
3. If the Limits of Insurance of any “underlying insurance” are reduced by defense expense or claim expense as defined under the terms of that policy, then any Supplemental Payments we make that meet the “underlying insurance” definition of defense expense or claim

expense will reduce our applicable Limits of Insurance in the same manner.

4. If the law of a country or jurisdiction prohibits us from paying a Supplementary Payment, we will reimburse you for a Supplementary Payment you have incurred with our consent.

**VI. LIMITS OF INSURANCE**

Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

1. The limits of insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or “suits” brought;
  - c. Persons or organizations making claims or bringing “suits”; or
  - d. Coverages provided by this policy.
2. The Products-Completed Operations Aggregate Limit shown in the Declarations is the most we will pay for the sum of all damages included in the “products - completed operations hazard”.
3. The General Aggregate Limit shown in the Declarations is the most we will pay for the sum of all damages to which this insurance applies, except:
  - a. Damages Included in the “products - completed operations hazard”; or
  - b. Otherwise covered by “underlying insurance”, but to which no aggregate limit in such “underlying insurance” applies.
4. Subject to the applicable Aggregate Limit, the Each Occurrence Limit shown in the Declarations is the most we will pay for damages arising out of any one “occurrence” or offense under **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability** combined, even if such loss is or otherwise would be covered in whole or part under more than one “underlying insurance”.
5. Any amount paid for loss will reduce the amount of the applicable Aggregate Limit available for any other payments.
6. If the applicable Aggregate Limit has been reduced to any amount that is less than the Each Occurrence Limit, the remaining amount of such applicable Aggregate Limit is the most that will be available for any other payments.
7. If the Limits of Insurance of any “underlying insurance” are reduced by defense or claim expenses under the terms of that policy, then any defense or claim expense payments we

make to defend any insured will reduce our applicable Limits of Insurance in the same manner.

8. The Aggregate Limits of this policy apply separately to each consecutive annual period. If our policy period is extended to a period greater than twelve (12) months, the extended period will be considered part of the original policy period for determining the Limits of Insurance.

## VII. EXCLUSIONS

1. Applicable to both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

This insurance does not apply to:

- a. **Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability**

Any liability or expense arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if claims are made or "suits" brought for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to liability or expense because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- b. **Asbestos**

"Bodily injury", "property damage", "personal injury" or "advertising injury" or

any other injury, damage, loss cost or expense arising out of any actual or alleged:

- (1) Inhaling, ingesting or prolonged physical exposure by any person to asbestos or asbestos fibers or goods or products containing asbestos;
- (2) Use of asbestos in constructing or manufacturing any good, product or structure;
- (3) Intentional or accidental removal including encapsulation, dispersal, sealing or disposal of asbestos or asbestos fibers from any good, product or structure;
- (4) Manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos;
- (5) Products manufactured, sold, handled or distributed by or on behalf of the insured which contain asbestos; or
- (6) Acts or omissions of the insured in connection with the general supervision of any job involving the removal, enclosure, encapsulation, dispersal, sealing or disposal of asbestos, asbestos fibers or products containing asbestos. General supervision includes the rendering of or failure to render any instructions, recommendations, warnings or advice.

- c. **Damage to Property**

"Property damage" or related expenses arising from damage to or loss of use of:

- (1) Real property owned, leased, occupied or in the care, custody or control of any insured;
- (2) Real property loaned to any insured;
- (3) That particular part of real property on which you or any contractors or subcontractors working directly on your behalf are performing operations, if the "property damage" arises out of those operations.
- (4) That particular part of any property that must be restored repaired or replaced because "your work" was incorrectly performed on it.
- (5) Personal property in the care, custody or control of the insured.
- (6) Paragraphs (2) and (3) above do not apply to liability assumed under a sidetrack agreement.

- (7) Paragraph (4) above does not apply to “property damage” included in the “Products Completed Operations Hazard”.

**d. Employment Related Practices**

Any claim by or on behalf of:

- (1) A person arising out of any:
- (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) Any person as a consequence of “bodily injury” to that person at whom any of the employment-related practices described in Paragraph (1) above is directed.

This exclusion applies:

- (3) Whether you may be liable as an employer or in any other capacity; and
- (4) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**e. Miscellaneous Laws**

Any liability or expense under any of the following:

- (1) Any obligation of the insured under a workers’ compensation, disability, benefits or unemployment compensation law or any similar law;
- (2) Any breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violations of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 (ERISA), as amended, or any similar local, state, federal or foreign law or regulations; or
- (3) Any uninsured or underinsured motorist, no-fault, medical payments, first party personal injury or similar law.

**f. Nuclear Liability**

“Nuclear Energy Hazards”.

**g. Recall of Products, Work or Impaired Property**

Damages claimed for any loss of use, cost, or expense related to recall, withdrawal, disposal or removal of, inspection, repair or replacement of:

- (1) “Your product”
- (2) “Your work”, or
- (3) “Impaired property”;

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**h. Recording and Distribution of Material in Violation of Law**

Any liability or expense arising out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) The Fair Credit Reporting Act (FCRA) and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

**i. War**

Any liability or expense arising out of “war”.

**2. Applicable to Coverage A – Follow Form Excess Liability only:**

This insurance does not apply to:

**a. Pollution**

- (1) Any “bodily injury”, “property damage”, “personal injury” or “advertising injury” arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of “pollutants”:

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
  - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot originating from equipment that is used to heat, cool, or dehumidify the building, or equipment that is used to heat water for personal use by the building's occupants or their guests;
  - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site, or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured other than the additional insured; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.; or
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to

the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any



way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order, statutory, or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

However, paragraphs (2)(a) and (2)(b) above do not apply to liability for damages because of "property damage" that an insured would have in the absence of such request, demand, order or statutory or regulatory requirement or such claim or "suit" by or on behalf of a governmental authority.

(3) As used in this exclusion, a hostile fire is one which becomes uncontrollable or breaks out from where it was intended to be.

3. Applicable to **Coverage B – Umbrella Liability** only:

This insurance does not apply to:

a. **Aircraft, "Unmanned Aircraft", "Auto" or Watercraft:**

Any liability or expense arising out of the ownership, maintenance, operation, use, entrustment to others, or loading or unloading of any:

(1) Aircraft owned by you or rented, loaned or chartered by or on behalf of you without crew;

(2) "Unmanned aircraft";

(3) "Auto"; or

(4) Watercraft owned by you except watercraft while ashore on premises you own or rent.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision,

hiring, employment, training or monitoring of others by that insured.

b. **Contractual Liability**

Any liability for which any insured is obligated to pay damages by reason of the assumption of liability in any contract or agreement. This exclusion does not apply to liability for damages:

(1) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury", "personal injury", "advertising injury" or "property damage" occurs after the execution of the contract or agreement; or

(2) That any insured would have in the absence of the contract or agreement.

c. **Damage to "Your Product", "Your Work" or "Impaired Property"**

"Property damage" to:

(1) "Your product" arising out of it or any part of it; and

(2) "Your work" arising out of it or any part of it and included in the "products-completed operations hazard".

Paragraphs (1) and (2) above do not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

(3) "Impaired Property" or property that has not been physically injured, arising out of:

(a) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(b) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

d. **Directors and Officers**

Any liability or expense for a wrongful act, error, omission or breach of duty by an insured in the performance of the office of director, officer or trustee of an organization.

e. **Employers Liability**

Any injury to:

(1) Any "employee" of an insured arising out of and in the course of:

- (a) Employment by an insured; or
- (b) Performing duties related to the conduct of an insured's business; or
- (2) Any person as a consequence of paragraph (1) above.

This exclusion applies:

- (3) Whether an insured may be liable as an employer or in any other capacity; and
- (4) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by an insured under an "insured contract".

**f. Expected or Intended Injury**

"Bodily injury", "property damage", "personal injury" or "advertising injury" expected or intended from the standpoint of the insured.

This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

**g. Liquor Liability**

Any liability or expense for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person; or
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (4) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (5) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

**h. Maintenance, Prevention or Enhancement**

To any liability or expense incurred by an insured or any others for any:

- (1) maintenance or enhancement of any property; or
- (2) prevention of any injury or damage to any:
  - (a) person or organization; or
  - (b) property you own, rent or occupy.

**i. "Personal Injury" and "Advertising Injury"**

Any liability or expense for "personal injury" and "advertising injury":

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal injury" or "advertising injury";
- (2) Arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period;
- (4) Arising out of a criminal act committed by or at the direction of the insured;
- (5) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (6) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (7) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (8) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (9) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".



However, this exclusion does not apply to infringement, in your "advertisement" of copyright or slogan.

**(10) Arising out of:**

- (a)** The controlling, creating, designing or developing of another's internet site;
- (b)** The controlling, creating, designing, developing, determining or providing content or material of another's internet site;
- (c)** The controlling, facilitating or providing, or failing to control, facilitate or provide, access to the internet or another's internet site; or
- (d)** Publication of content or material on or from the internet, other than material developed by you or at your direction.

**(11)** Arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control;

**(12)** Arising out of the unauthorized use of another's name or product in your email address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**j. Pollution**

- (1)** "Bodily injury", "property damage", "personal injury" or "advertising injury" part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
- (2)** Any loss, cost or expense arising out of any:
  - (a)** Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b)** Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**k. Professional Liability**

Any liability or expense arising out of the rendering of or failure to render any professional or quasi-professional service (whether or not such service requires certification or licensing), advice or instruction by you or on your behalf, or from whom any of you assumed liability by reason of a contract or agreement, regardless of whether any such service, advice or instruction is ordinary to any insured's profession.

**l. Punitive Damages**

Any sum awarded for punitive damages, exemplary damages, multiplied damages, taxes, fines, or penalties.

**VIII. CONDITIONS**

Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**

**1. Appeals**

We may elect to initiate or participate in an appeal of a judgment if such judgment could result in a payment under this insurance.

If we so elect, we shall be liable for all expenses we incur incidental to such appeal, but in no case will the amount we pay for loss exceed the Limits of Insurance.

**2. Bankruptcy**

The bankruptcy of any insured or insured's estate will not relieve us of our obligations under this policy.

In the event of bankruptcy or insolvency of the provider of any "underlying insurance", the insurance provided by this policy will not replace such "underlying insurance" and applies as though such "underlying insurance" was available and collectible.

**3. Cancellation and Non-Renewal**

- a.** The first Named Insured may cancel this policy by mailing or delivering to us, our authorized agent or broker, advance written notice of cancellation stating when the cancellation is to take effect.
- b.** We may cancel this policy or any of its individual coverages by mailing to the first Named Insured a written notice of cancellation at least:

- (1)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(2) 60 days before the effective date of cancellation if we cancel for any other reason.

- c. We will mail our notice to the first Named Insured's last mailing address known to us.
- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata.
- f. If we decide not to renew, we will mail to the first Named Insured written notice of non-renewal not less than sixty (60) days before the expiration date.
- g. Proof of mailing will be sufficient proof of notice.

#### 4. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured is authorized to make changes with our consent. This policy's terms can be amended or waived only by endorsement issued by us or made a part of this policy.

#### 5. Currency

All payments or reimbursements we make for damages because of judgments or settlements will be made in United States currency at the prevailing exchange rate at the time the insured became legally obligated to pay such sums.

#### 6. Duties in the Event of "Occurrence", Offense, Claim or "Suit"

- a. You must see to it that we are notified as soon as practicable of any "occurrence" or offense to which this insurance may apply. Notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature of any injury or damage arising out of the "occurrence" or offense.
- b. You will cooperate with the "underlying insurer" as required by the terms of their policies and comply with all terms and conditions of those policies.
- c. If a claim is made or "suit" is brought against any insured to which this

insurance may apply, you must see to it that we receive written notice of the claim or "suit" as soon as practicable.

#### d. You and any other involved insured must:

- (1) Send us copies as soon as practicable of any demands, notices, summonses or legal papers received in connection with the claim or "suit" to which this insurance may apply;
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit";
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which in our opinion may be liable to an insured because of injury or damage to which this insurance applies;
- (5) Notify us as soon as practicable of any judgment or settlement of any claim or "suit" brought against any insured; and
- (6) Not voluntarily make a payment, assume any obligation or incur any expense without our consent, except at that insured's own cost.

#### 7. Examination of Your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward. We have the right to make copies of those books and records.

#### 8. First Named Insured

The person or organization first named in Item 1. of the Declarations is responsible for the payment of all premiums, the receiving of return premiums, the receipt and acceptance of this policy and any endorsements, and will act on behalf of all other insureds for the giving and receiving of notice of cancellation or any other notice required under this policy or by statute or regulation.

#### 9. Inspections and Surveys

- a. We have the right but not the duty to:
  - (1) Make inspections and surveys at any time;
  - (2) Give you reports on the conditions we find; and
  - (3) Recommend changes.
- b. Any inspections, surveys, reports or recommendations relate only to

insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions:

- (1) Are safe or healthful; or
- (2) Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

#### 10. Joint Duties in Non-Admitted Jurisdictions

With respect to an "occurrence", offense, claim or "suit" that arises in a non-admitted jurisdiction and to which this insurance applies:

- a. If we are prevented by law in any country or jurisdiction from fulfilling our duty to defend you or to investigate claims, you will be responsible for arranging for the defense or investigation under our supervision. We will reimburse you for all reasonable and necessary expense incurred which we would have paid if we had defended the "suit" or investigated the claim; and
- b. If we are prevented by law in any country or jurisdiction from paying damages to which this insurance applies, you may pay the damages with our consent. Upon proof of the payments, we will reimburse you for such damages subject to the applicable Limit of Insurance.

#### 11. Legal Action Against Us

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial, but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the Limits of Insurance.

An agreed settlement means a settlement and release of liability signed by us, an insured

and the claimant or the claimant's legal representative.

#### 12. Maintenance of "underlying insurance"

- a. You agree to maintain the "underlying insurance" in full force and effect during the term of this policy. "underlying insurance" will not be cancelled, non-renewed or rescinded without replacement coverage to which we agree. You must notify us as soon as practicable if any "underlying insurance" is no longer valid or in full force and effect.
- b. The terms and conditions of "underlying insurance" will not materially change, unless we agree otherwise. The terms and conditions or renewals or replacements of "underlying insurance" will be materially the same as prior coverage unless we agree otherwise.
- c. The total applicable limits of "underlying insurance" shall not decrease, except for any reduction or exhaustion of aggregate limits by payment of loss. Reduction or exhaustion of any aggregate limit of liability or limit of insurance in any "underlying insurance" by payments for judgments, settlements or expense will not be a failure to maintain "underlying insurance" in full force and effect.
- d. No statement contained in this Condition limits our right to cancel or not renew this policy.
- e. Your failure to comply will not invalidate this policy, but this policy will apply as if the "underlying insurance" was so maintained.

#### 13. Other Insurance

- a. This insurance is excess over any "other insurance", whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically purchased as excess over this policy.
- b. We have no duty to defend the insured against any claim or "suit" if any other insurer has a duty to defend such insured against that claim or "suit".
- c. This insurance is not subject to the terms or conditions of any "other insurance".
- d. We will pay only our share of the amount of loss, if any, that exceeds the sum of the total:
  - (1) Amount that all "other insurance" would pay for loss in the absence of this insurance; and

- (2) Of all deductible and self-insurance amounts under all "other insurance".

#### 14. Premium Audit

- a. We will compute all premiums for this policy in accordance with our rules, rates, rating plans, premiums and minimum premiums applicable to this insurance.
- b. If the premium for this policy is stated in the Declarations as being subject to adjustment, at the close of each audit period, we will compute the earned premium for that period using the rates and rating basis shown on the Declarations or as stated in an endorsement issued by us. Audit premiums are due and payable on notice to the first Named insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured, but not if such audit premium is less than the minimum premium shown in the Declarations.
- c. The first Named Insured must keep records of the information we need for premium computation and send us copies as we may request.

#### 15. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

If unintentionally you should fail to disclose all hazards at the inception of this policy, we shall not deny coverage under this policy because of such failure.

#### 16. Separation of Insureds

Except with respect to the Limits of Insurance and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" brought.

#### 17. Titles of Paragraphs

The titles of paragraphs in this policy are inserted solely for convenience or reference. Such titles do not limit, define or affect the provisions to which they relate.

#### 18. Transfer of Rights of Recovery Against Others to Us

If an insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. An insured must do nothing after loss to impair such rights. At our request, an insured will bring "suit" or transfer those rights to us and help us enforce them.

Any recoveries will be apportioned in the inverse order of payment of loss to the extent of actual payment. The expenses of all such recovery proceedings shall be apportioned in the ratio of their respective recoveries.

#### 19. Transfer of Your Rights and Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent.

If you die, your rights and duties are transferred to your legal representative, but only while that legal representative is acting within the scope of their duties as such. Until your legal representative is appointed, anyone with proper temporary custody of your property will have your rights and duties but only with respect to that property.

### IX. DEFINITIONS

Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella**

1. **"Advertisement"** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purpose of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. **"Advertising Injury"** means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
  - a. The use of another's advertising idea in your "advertisement"; or
  - b. Infringing upon another's copyright or slogan in your "advertisement".
3. **"Auto"** means:
  - a. A land motor vehicle, trailer or semi-trailer designed for travel on public roads,



including any attached machinery or equipment; or

- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

4. **"Bodily injury"** means bodily injury, sickness or disease sustained by a person including death resulting from any of these at any time. "Bodily injury" includes mental anguish or other mental injury resulting from "bodily injury".
5. **"Employee"** includes a "leased worker". "Employee" does not include a "temporary worker".
6. **"Executive Officer"** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. **"Impaired property"** means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of the contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.
8. **"Insured contract"** means:
  - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement;

- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume, the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
  - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
    - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
  - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in paragraph (2) above and supervisory, inspection or engineering activities.
9. **"Leased Worker"** means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
  10. **"Loading or Unloading"** means the handling of property:
    - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
    - b. While it is in or on an aircraft, watercraft or "auto"; or

- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**11. "Mobile Equipment"** means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, fork-lifts and other vehicles designed by use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shoves, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos".

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck

chassis and used to raise or lower workers; and

- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**12. "Nuclear Energy Hazard"**

Any liability or expense:

- a. With respect to which an insured under this policy is also an insured under a nuclear energy policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any other similar foreign or domestic authority of any jurisdiction, or their successors, or would be an insured under any such policy of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- b. Resulting from the hazardous properties of nuclear material and with respect to which:
  - (1) Any person or entity is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, of any law amendatory thereof or of any similar law or regulation of any other foreign or domestic authority or jurisdiction; or
  - (2) Any insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America or any other foreign or domestic governmental entity or any agency thereof, under any agreement entered into by the United States of America, any other foreign or domestic governmental body or any agency thereof, with any person or organization.
- c. To "bodily injury" or "property damage" resulting from the hazardous properties of nuclear material, if:
  - (1) The nuclear material:



- (a) Is at any nuclear facility owned by or operated by or on behalf of an insured or,
- (b) Has been discharged or dispersed there from.
- (2) The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
- (3) The “bodily injury” or “property damage” arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this paragraph c. applies only to “Property Damage” to such nuclear facility and any property thereat.

As used in this definition:

“Hazardous properties” include radioactive, toxic or explosive properties.

“Nuclear material” means source material, special nuclear material, or by-products material.

“Source material”, “special nuclear material”, and “by-product material” have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

“Spent fuel” means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor.

“Waste” means any waste material:

- (1) Containing by-product material other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content.
- (2) Resulting from the operation by any person or organization of any nuclear facility included under the first two paragraphs of the definition of nuclear facility.

“Nuclear facility” means:

- (1) Any nuclear reactor; or
- (2) Any equipment or device designated or used for:
  - (a) Separating the isotopes of uranium or plutonium; or

- (b) Processing or utilizing spent fuel; or
- (c) Handling, processing or packaging nuclear waste; or
- (3) Any equipment or device used for processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of an insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
- (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste; and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

“Nuclear reactor” means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

“Property damage” includes all forms of radioactive contamination of property.

- 13. “**Occurrence**” means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 14. “**Other Insurance**” means any insurance that may provide coverage to any insured which this policy would also provide, and includes any type of self-insurance or other mechanism arranged for funding of loss. “Other insurance” does not include “underlying insurance” or insurance specifically purchased as excess over this policy.
- 15. “**Personal Injury**” means injury, including consequential “bodily injury”, arising out of one or more of the following offenses:
  - a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

16. **"Pollutants"** mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

17. **"Products-Completed Operations Hazard"**

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
  - (a) When all of the work called for in your contract has been completed.
  - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
  - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:
  - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
  - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
  - (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed

operations are subject to the General Aggregate Limit.

18. **"Property Damage"** means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

19. **"Retained Limit"** means the amount stated as such in the Declarations for which the insured is responsible with respect to each "occurrence" under **Coverage B – Umbrella Liability**.

20. **"Suit"** means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" also includes:

- a. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

21. **"Temporary Worker"** means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

22. **"Underlying insurance"** means the liability insurance coverage provided under policies shown in the Schedule of Underlying Insurance for the limits and policy periods indicated. It includes any policies issued to replace those policies during the term of this insurance that provide:

- a. At least the same limits of liability or limits of insurance; and
- b. The same hazards insured against, except as modified by general program revisions or as agreed to by us in writing.

23. **"Underlying Insurer"** means any insurer who issues a policy of "underlying insurance".

24. **"Unmanned aircraft"** means an aircraft that is not:

- a. Designed;

- b. Manufactured; or
  - c. Modified after manufacture;
- to be controlled directly by a person from within or on the aircraft.

**25. "War" means:**

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**26. "Your Product"**

- a. Means:
  - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
    - (a) You;
    - (b) Others trading under your name; or
    - (c) A person or organization whose business or assets you have acquired; and

- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
  - (2) The providing of or failure to provide warnings or instructions.
- c. Does not include** vending machines or other property rented to or located for the use of others but not sold.

**27. "Your Work"**

**a. Means:**

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – PROFESSIONAL LIABILITY  
(COVERAGE A)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph **2**. Applicable to **Coverage A – Follow Form Excess Liability** only:

This insurance does not apply to:

**Professional Services**

Any liability or expense arising out of the rendering of or failure to render any professional service, advice or instruction by you or on your behalf, or from whom any of you assumed liability by reason of a contract or agreement, regardless of whether any such service, advice or instruction is ordinary to any insured's profession.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ILLINOIS CHANGES

This endorsement modifies insurance provided under the following:

### HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A.** The term "spouse", wherever found within this policy, is replaced by the following:

Spouse or party to a civil union recognized under Illinois law.

- B.** The following is added to section **II. DEFENSE AND SETTLEMENT**, paragraph **1. Coverage A – Follow Form Excess Liability Defense and Settlement**, and paragraph **2. Coverage B – Umbrella Liability Defense and Settlement**:

1. The provisions of paragraph **2.** Below are added to all Insuring Agreements that set forth a duty to defend. Paragraph **2.** also applies to any other provision in the policy that sets forth a duty to defend.

2. If we initially defend an insured ("insured") or pay for an insured's ("insured's") defense but later determine that the claim(s) is (are) not covered under this insurance, we will have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement for the defense costs under this provision will only apply to defense costs we have incurred after we notify such insured ("insured") in writing that there may not be coverage, and that we are reserving our rights to terminate the defense and seek reimbursement for defense costs.

- C.** Section **VII. EXCLUSIONS**, paragraph **3.** Applicable to **Coverage B – Umbrella Liability** only, subparagraph **I. Punitive Damages** is replaced by the following:

**I. Punitive Damages**

Any sum awarded for punitive damages, exemplary damages, multiplied damages, taxes, fines or penalties.

Should "suit" be brought against an insured for which coverage is provided herein and such "suit" seek both compensatory and punitive or exemplary damages, then we will afford a defense to such "suit" without liability, however, for such punitive or exemplary damages.

- D.** Section **VIII CONDITIONS**, paragraph **3. Cancellation and Non-Renewal** is replaced by the following:

**3. Cancellation and Non-Renewal**

- a** The first Named Insured shown in the Declarations may cancel this policy by mailing to us advance written notice of cancellation.

- b.** We may cancel this policy by mailing to you, written notice stating the reason for cancellation. If we cancel:

- (1) For nonpayment of premium, we will mail the notice at least 10 days prior to the effective date of cancellation.

- (2) For a reason other than nonpayment of premium, we will mail the notice at least:

- (a)** 30 days prior to the effective date of cancellation if the policy has been in effect for 60 days or less.

- (b)** 60 days prior to the effective date of cancellation if the policy has been in effect for more than 60 days.

- c.** If this policy has been in effect for more than 60 days or is a renewal or continuation policy, we may cancel only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) The policy was obtained through a material misrepresentation;
- (3) Any insured has violated any of the terms and conditions of the policy;
- (4) The risk originally accepted has measurably increased;
- (5) Certification to the Director of Insurance of the loss of reinsurance by the insurer that provided coverage to us for all or a substantial part of the underlying risk insured; or
- (6) A determination by the Director of Insurance that the continuation of the policy could place us in violation of the insurance laws of this State.

- d. We will mail our notice to you, at your last mailing address known to us. Proof of mailing will be sufficient proof of notice.
- e. Notification of cancellation will also be sent to your broker, if known, or agent of record, if known.
- f. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- g. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be less than pro rata. The cancellation will be effective even if we have not offered a refund.
- h. If we decide not to renew or continue this policy, we will mail you written notice, stating the reason for nonrenewal, at least:
  - (1) 60 days before the end of the policy period for all policies other than those described in **f.(2)**; or
  - (2) 30 days before the end of the policy period for all commercial excess and umbrella liability policies as defined in 215 ILL. COMP. STAT. 143.13.(h). The nonrenewal shall not become effective until at least 30 days from the proof of mailing date of the notice to you.
- b. Proof of mailing will be sufficient proof of notice.
- c. Notification of nonrenewal will also be sent to your broker, if known, or agent of record, if known.
- i. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
- j. If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.
- k. We will mail cancellation and nonrenewal notices to you, and the agent or broker, at the last addresses known to us. Proof of mailing will be sufficient proof of notice.

For the purposes of Paragraph **f.(2)**, commercial excess and umbrella liability policies are defined in 215 ILL. COMP. STAT. 143.13.(h) as follows:

- (h) "Commercial excess and umbrella liability policy" means a policy written over one or more underlying policies for an insured:
  - (1) that has at least 25 full-time employees at the time the commercial excess and umbrella liability policy is written and procures the insurance of any risk or risks, other than life, accident and health, and annuity contracts, as described in clauses (a) and (b) of Class 1 of Section 4 and clause (a) of Class 2 of Section 4, by use of the services of a full-time employee acting as an insurance manager or buyer; or
  - (2) whose aggregate annual premiums for all property and casualty insurance on all risks is at least \$50,000.

**E. The following is added to section VIII. CONDITIONS:**

**Right to Claim Information**

- a. If required by applicable law or regulation, and subject to paragraph e. below, we will provide the first Named Insured shown in the Declarations, within thirty (30) days of the insured's written request or at the same time as any notice of cancellation or nonrenewal, the following information relating to this and any preceding claims-made insurance we have issued to you during the previous three years:
  - (1) Information concerning closed claims limited to the date and description of claims, total amount of payments and total reserves, if any; and
  - (2) Information concerning open claims limited to the date and description of claims, total amount of payments and total reserves, in any; and
  - (3) Information concerning claims not included in subparagraphs (1) and (2) above limited to the date and description of claims and total reserves, if any.
- b. Subject to paragraph e. below, we will provide the first Named Insured shown in the Declarations, within twenty (20) days after receipt of written request by the Named Insured, detailed claims information in addition to that provided under paragraph a. above, including specific reserve amounts.
- c. Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values. You must not disclose this information to any claimant or claimant's representative without our consent.
- d. We compile claim information for our own business purposes and exercise reasonable



care in doing so. In providing this information to the first Named Insured we make no representations or warranties.

- e. We will not provide the information included in paragraphs **a.** and **b.** above if this policy has been cancelled for nonpayment or premium, material misrepresentations or fraud on the part of the insured.

Cancellation or nonrenewal will be effective even if we inadvertently fail to provide this information, or provide inaccurate or incomplete information.

- F. The following is added to any **Extended Reporting Period**:

The percentage in the table relating to length of Extended Reporting Period will be applied to the expiring annual premium.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – LEAD (COVERAGE A AND B)

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

### **Lead**

Any liability or expense arising out of any actual or alleged presence of or exposure to lead including but not limited to:

- (1) Inhaling, ingesting or prolonged physical exposure by any person to any premises, structure, goods or products containing lead;
- (2) The use of lead in constructing or manufacturing any good, product or structure;

- (3) Intentional or accidental removal including encapsulation, dispersal, sealing or disposal of any good, product or structure containing lead;
- (4) The manufacturing, transportation, storage or disposal of goods or products containing lead;
- (5) Any product manufactured, sold, handled or distributed by or on behalf of the insured which contains lead; or
- (6) Acts or omissions of the insured in connection with the general supervision of any job involving the removal, enclosure, encapsulation, dispersal, sealing, or disposal of products or materials containing lead.

General supervision includes the rendering of or failure to render any instructions, recommendations, warnings, or advice.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**"Certified act of terrorism"** means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism

pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A.** The following exclusion is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

**Terrorism Punitive Damages**

Damages arising, directly or indirectly, out of a "certified act of terrorism" which are awarded as punitive damages.

- B.** For the purpose of this endorsement, the following definition is added to section **IX. DEFINITIONS**:

**"Certified act of terrorism"** means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Insurance Act, to be an act of terrorism pursuant such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

- a.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- b.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – FUNGI OR BACTERIA LIABILITY (COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

### **Fungi or Bacteria**

Any liability or expense arising out of “fungi” or bacteria which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any “fungi” or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product

contributed concurrently or in any sequence to such injury or damage.

- (1) This exclusion also applies to any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, “fungi” or bacteria, by you or by any other person or entity.
- (2) For the purposes of this exclusion, “fungi” means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by “fungi”.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – SILICA (COVERAGE A AND B)

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

**“Silica” or “Silica-Related Dust”**

Any liability or expense arising out of any actual, alleged, threatened or suspected:

- (1) Inhalation of, or ingestion of, “silica” or “silica-related dust”;
- (2) Threatened or suspected contact with, exposure to, existence of, or presence of, “silica” or “silica-related dust”; or

- (3) Any loss cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, “silica” or “silica-related dust”, by any insured or by any other person or entity.

For the purpose of this exclusion, the following definitions are added:

**“Silica”** means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.

**“Silica-related dust”** means a mixture or combination of silica and other dust or particles.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – TOTAL POLLUTION WITH HOSTILE FIRE EXCEPTION (COVERAGE A)

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A. Section VII. EXCLUSIONS, paragraph 2.**  
Applicable to **Coverage A – Follow Form Excess**  
Only, subparagraph **a.** is replaced by the following:

This insurance does not apply to:

**a. Pollution**

- (1)** Any liability or expense which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release, or escape of “pollutants” at any time.
- (a)** This exclusion does not apply to “bodily injury” or “property damage” arising out of heat, smoke or fumes from a “hostile fire” unless that “hostile fire” occurred or originated:
  - (i)** At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or
  - (ii)** At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured’s behalf are performing operations to test for,

monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to, or assess the effects of “pollutants”;

- (2)** Any loss, cost or expense arising out of any:

- (a)** Request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, “pollutants”; or
- (b)** Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way respond to, or assess the effects of “pollutants”.

- B.** For the purpose of this exclusion, the following definition is added to section **IX DEFINITIONS**:

**“Hostile fire”** means one which becomes uncontrollable or breaks out from where it was intended to be.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ILLINOIS EXCLUSION – ABUSE AND MOLESTATION  
(COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

**Abuse and Molestation**

Any liability or expense arising out of the actual or threatened abuse or molestation by anyone of any person regardless whether the abuse or molestation was specifically intended or resulted from negligent conduct and regardless whether any insured subjectively intended the injury or damage for which a claim is made.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – DISCRIMINATION (COVERAGE A AND B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

### **Discrimination**

Any liability or expense arising out of discrimination or humiliation based upon, but not limited to:

- |                         |   |
|-------------------------|---|
| (1) Age;                | (5) Race;   |
| (2) Gender;             | (6) Nationality;  |
| (3) Sexual orientation; | (7) National origin;  |
| (4) Marital Status;     | (8) Religion;   |
|                         | (9) Creed;  |
|                         | (10) Mental capabilities or condition;  |
|                         | (11) Physical capabilities, characteristics or condition;<br>or   |
|                         | (12) Any violation of a local, state, federal or foreign<br>law or regulation relating to discrimination. |

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – EMPLOYEE BENEFITS LIABILITY (COVERAGE B)**

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A.** The following is added to section **VII. EXCLUSIONS**, paragraph **3**. Applicable to **Coverage B – Umbrella Liability** only:

This insurance does not apply to:

**Employee Benefits Liability**

Any liability or expense arising out of the “administration” of an “insured’s employee benefit program”.

- B.** For the purposes of this endorsement, the following definitions are added to section **IX. DEFINITIONS**:

“**Administration**” means:

- a.** Giving counsel to employees with respect to “employee benefit programs”;

- b.** Interpreting “employee benefit programs”;

- c.** Handling of records in connection with “employee benefits programs”; and

- d.** Effecting enrollment of employees under “employee benefit programs”.

“**Employee benefit program**” means life insurance, accident or health insurance, pension plans, workers’ compensation, unemployment insurance, social security and disability benefits, investment programs, loan or financial assistance programs, and any other similar benefit program.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

# Exhibit G

Chancery Division Civil Cover Sheet  
General Chancery Section

(5/26/16) CCCH 0623

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS  
COUNTY DEPARTMENT, CHANCERY DIVISION

FILED  
7/27/2021 1:01 PM  
IRIS Y. MARTINEZ  
CIRCUIT CLERK  
COOK COUNTY, IL  
2021CH03660

14201130

FABIO GARFIAS, Individually and On Behalf of All Others Similarly Situated

Plaintiff

v.

SUPERIOR KNIFE, LLC

Defendant

2021CH03660

No.

Hearing Date: 11/24/2021 10:00 AM - 10:00 AM  
Courtroom Number: 2405  
Location: District 1 Court  
Cook County, IL

CHANCERY DIVISION CIVIL COVER SHEET  
GENERAL CHANCERY SECTION

A Chancery Division Civil Cover Sheet - General Chancery Section shall be filed with the initial complaint in all actions filed in the General Chancery Section of Chancery Division. The information contained herein is for administrative purposes only. Please check the box in front of the appropriate category which best characterizes your action being filed.

0005 ☐ Administrative Review  
0001 ☐ Class Action  
0002 ☐ Declaratory Judgment  
0004 ☐ Injunction

0007 ☒ General Chancery  
0010 ☐ Accounting  
0011 ☐ Arbitration  
0012 ☐ Certiorari  
0013 ☐ Dissolution of Corporation  
0014 ☐ Dissolution of Partnership  
0015 ☐ Equitable Lien  
0016 ☐ Interpleader  
0017 ☐ Mandamus  
0018 ☐ Ne Exeat

0019 ☐ Partition  
0020 ☐ Quiet Title  
0021 ☐ Quo Warranto  
0022 ☐ Redemption Rights  
0023 ☐ Reformation of a Contract  
0024 ☐ Rescission of a Contract  
0025 ☐ Specific Performance  
0026 ☐ Trust Construction  
☐ Other (specify) \_\_\_\_\_

By: Brandon M. Wise

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DOROTHY BROWN, CLERK OF THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS



Hearing Date: 11/24/2021 10:00 AM - 10:00 AM  
Courtroom Number: 2405  
Location: District 1 Court  
Cook County, IL

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CIRCUIT CLERK  
COOK COUNTY, IL  
2021CH03660

**IN AND FOR THE CIRCUIT COURT OF COOK COUNTY  
CHANCERY DIVISION**

FABIO GARFIAS,  
INDIVIDUALLY AND ON BEHALF OF  
ALL OTHERS SIMILARLY SITUATED,

*Plaintiff,*

v.

SUPERIOR KNIFE, LLC,

*Defendant.*

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Case No.: **2021CH03660**

Judge:

**CLASS ACTION COMPLAINT**

Plaintiff Fabio Garfias (hereinafter “Plaintiff” or “Garfias”), brings this Class Action Complaint individually and on behalf of all others similarly situated against Defendant Superior Knife, LLC (hereinafter “Defendant”) to stop Defendant’s unlawful collection, use, storage, and disclosure of Plaintiff’s and the proposed Class’s sensitive, private, and personal biometric data. Plaintiff alleges as follows upon personal knowledge as to himself and his own acts and experiences and, as to all other matters, upon information and belief including investigation conducted by his attorneys. Further, Plaintiff alleges as follows:

**PARTIES, JURISDICTION, AND VENUE**

1. Plaintiff worked for Defendant at its location in Niles, Illinois. While doing so, Plaintiff was a citizen of Illinois.
2. Defendant Superior Knife, LLC is a Delaware Company licensed to do business in Illinois with places of business in Illinois.
3. Defendant Superior Knife, LLC may be served through its registered agent, Charles V. Muscarello, 4N645 School Road, St. Charles, Illinois 60175.
4. Jurisdiction is proper in this Court as Plaintiff is a citizen of Illinois and Defendant is a company doing business in Illinois.

5. Venue is proper in this court pursuant to 735 ILCS 5/2-101 as, upon information, Defendant does business in this County.

#### INTRODUCTION

6. While most establishments and employers use conventional methods for tracking time worked (such as ID badge swipes or punch clocks), Defendant, upon information and belief, mandated and required that employees have finger(s) scanned by a biometric timekeeping device.

7. Unlike ID badges or time cards – which can be changed or replaced if stolen or compromised – biometrics are unique, permanent biometric identifiers associated with each employee.

8. This exposes Defendant's employees, including Plaintiff, to serious and irreversible privacy risks.

9. For example, if a biometric database is hacked, breached, or otherwise exposed – such as in the recent Equifax, Uber, Facebook/Cambridge Analytica, and Marriott data breaches or misuses – employees have no means by which to prevent identity theft, unauthorized tracking, and other improper or unlawful use of this highly personal and private information.

10. In 2015, a data breach at the United States Office of Personnel Management exposed the personal identification information, including biometric data, of over 21.5 million federal employees, contractors, and job applicants. U.S. Off. of Personnel Mgmt., *Cybersecurity Incidents* (2018), available at [www.opm.gov/cybersecurity/cybersecurity-incidents](http://www.opm.gov/cybersecurity/cybersecurity-incidents).

11. An illegal market already exists for biometric data. Hackers and identity thieves have targeted Aadhaar, the largest biometric database in the world, which contains the personal and biometric data – including fingerprints, iris scans, and a facial photograph – of over a billion Indian citizens. See Vidhi Doshi, *A Security Breach in India Has Left a Billion People at Risk of Identity Theft*, The Washington Post (Jan. 4, 2018), available at

[https://www.washingtonpost.com/news/worldviews/wp/2018/01/04/a-security-breach-inindiahas-left-a-billion-people-at-risk-of-identity-theft/?utm\\_term=.b3c70259f138](https://www.washingtonpost.com/news/worldviews/wp/2018/01/04/a-security-breach-inindiahas-left-a-billion-people-at-risk-of-identity-theft/?utm_term=.b3c70259f138).

12. In January 2018, an Indian newspaper reported that the information housed in Aadhaar was available for purchase for less than \$8 and in as little as 10 minutes. Rachna Khaira, *Rs 500, 10 Minutes, and You Have Access to Billion Aadhaar Details*, The Tribune (Jan. 4, 2018), available at <http://www.tribuneindia.com/news/nation/rs-500-10-minutes-and-you-haveaccess-to-billion-aadhaar-details/523361.html>.

13. Recognizing the need to protect its citizens from situations like these, Illinois enacted the Biometric Information Privacy Act (“BIPA”), 740 ILCS 14/1, *et seq.*, specifically to regulate companies that collect and store Illinois citizens’ biometrics.

14. As an employee/worker of Defendant, Plaintiff was required to “clock in” and “clock out” of work shifts by having his fingerprint scanned by a biometric timeclock which identified each employee, including Plaintiff.

15. Notwithstanding the clear and unequivocal requirements of the law, Defendant disregards employees’ statutorily protected privacy rights and unlawfully collects, stores, and uses employees’ biometric data in violation of BIPA. Specifically, Defendant has violated and continues to violate BIPA because it did not and, upon information and belief, continues not to:

- a. Properly inform Plaintiff and others similarly situated in writing of the specific purpose and length of time for which their fingerprint(s) were being collected, stored, disseminated and used, as required by BIPA;
- b. Provide a publicly available retention schedule and guidelines for permanently destroying Plaintiff’s and other similarly-situated individuals’ fingerprint(s), as required by BIPA;
- c. Receive a written release from Plaintiff and others similarly situated to collect, store, disseminate or otherwise use their fingerprint(s), as required by BIPA; and
- d. Obtain consent from Plaintiff and others similarly situated to disclose, redisclose, or otherwise disseminate their biometric identifiers and/or biometric information to a third party as required by BIPA.

16. The State of Illinois takes the privacy of biometric data seriously.

17. There is no realistic way, absent surgery, to reassign someone's biometric data. A person can obtain a new social security number, but not a new hand, which makes the protection of, and control over, biometric identifiers and biometric information particularly important.

18. Upon information and belief, Plaintiff and the Class members may be aggrieved because Defendant may have improperly disclosed employees' biometrics to third-party vendors in violation of BIPA.

19. Plaintiff and the putative Class are aggrieved by Defendant's failure to destroy their biometric data when the initial purpose for collecting or obtaining such data has been satisfied or within three years of employees' last interactions with the company.

#### **ILLINOIS'S STRONG STANCE ON PROTECTION OF BIOMETRIC INFORMATION**

20. BIPA provides valuable privacy rights, protections, and benefits to employees in Illinois.

21. Major national corporations started using Chicago and other locations in Illinois in the early 2000s to test "new applications of biometric-facilitated financial transactions, including finger-scan technologies at grocery stores, gas stations, and school cafeterias" 740 ILCS 14/5(c). Given its relative infancy, an overwhelming portion of the public became weary of this then- growing yet unregulated technology. See 740 ILCS 14/5.

22. In late 2007, a biometrics company called Pay by Touch, which provided major retailers throughout the State of Illinois with fingerprint scanners to facilitate consumer transactions, filed for bankruptcy. The bankruptcy was alarming to the Illinois legislature because there was suddenly a serious risk that millions of fingerprint records – which, similar to other unique biometric identifiers, can be linked to people's sensitive financial and personal data – could now be sold, distributed, or otherwise shared through the bankruptcy proceedings without adequate protections

for Illinois citizens. The bankruptcy also highlighted the fact that most consumers who used the company's fingerprint scanners were completely unaware the scanners were not transmitting fingerprint data to the retailer who deployed the scanner, but rather to the now- bankrupt company, and that their unique biometric identifiers could now be sold to unknown third parties.

23. Recognizing the "very serious need [for] protections for the citizens of Illinois when it [came to their] biometric information," Illinois enacted BIPA in 2008. See Illinois House Transcript, 2008 Reg. Sess. No. 276; 740 ILCS 14/5.

24. Additionally, to ensure compliance, BIPA provides that, for each violation, the prevailing party may recover \$1,000 or actual damages, whichever is greater, for negligent violations and \$5,000, or actual damages, whichever is greater, for intentional or reckless violations. 740 ILCS 14/20.

25. BIPA is an informed consent statute which achieves its goal by making it unlawful for a company to, among other things, "collect, capture, purchase, receive through trade, or otherwise obtain a person's or a customer's biometric identifiers or biometric information, unless it first:

- a. Informs the subject in writing that a biometric identifier or biometric information is being collected or stored;
- b. Informs the subject in writing of the specific purpose and length of term for which a biometric identifier or biometric information is being collected, stored, and used; and
- c. Receives a written release executed by the subject of the biometric identifier or biometric information."

See 740 ILCS 14/15(b).

26. BIPA specifically applies to employees who work in the State of Illinois. BIPA defines a "written release" specifically "in the context of employment [as] a release executed by an employee as a condition of employment." 740 ILCS 14/10.

27. Biometric identifiers include fingerprints, retina and iris scans, voiceprints, and scans of hand and face geometry. See 740 ILCS 14/10. Biometric information is separately defined to include any information based on an individual's biometric identifier that is used to identify an individual. *Id.*

28. BIPA also establishes standards for how companies must handle Illinois citizens' biometric identifiers and biometric information. See, e.g., 740 ILCS 14/15(c)-(d). For example, BIPA prohibits private entities from disclosing a person's or customer's biometric identifier or biometric information without first obtaining consent for that disclosure. *See*, 740 ILCS 14/15(d)(1).

29. BIPA also prohibits selling, leasing, trading, or otherwise profiting from a person's biometric identifiers or biometric information (740 ILCS 14/15(c)) and requires companies to develop and comply with a written policy – made available to the public – establishing a retention schedule and guidelines for permanently destroying biometric identifiers and biometric information when the initial purpose for collecting such identifiers or information has been satisfied or within three years of the individual's last interaction with the company, whichever occurs first. 740 ILCS 14/15(a).

30. The Illinois legislature enacted BIPA due to the increasing use of biometric data in financial and security settings, the general public's hesitation to use biometric information, and – most significantly – the unknown ramifications of biometric technology. Biometrics are biologically unique to the individual and, once compromised, an individual is at heightened risk for identity theft and left without any recourse.

31. BIPA provides individuals with a private right of action, protecting their right to privacy regarding their biometrics as well as protecting their rights to know the precise nature for which their biometrics are used and how they are being stored and ultimately destroyed. Unlike other statutes that only create a right of action if there is a qualifying data breach, BIPA strictly regulates the



manner in which entities may collect, store, use, and disseminate biometrics and creates a private right of action for lack of statutory compliance.

32. Plaintiff, like the Illinois legislature, recognizes how imperative it is to keep biometric information secure. Biometric information, unlike other personal identifiers such as a social security number, cannot be changed or replaced if hacked or stolen.

#### **PLAINTIFF SPECIFIC ALLEGATIONS**

33. Plaintiff was required to “clock-in” and “clock-out” using a timeclock that operated, at least in part, by scanning Plaintiff’s fingerprint.

34. As an employee, Plaintiff was required to scan at least one finger, multiple times, so Defendant could create, collect, capture, construct, store, use, and/or obtain a biometric template for Plaintiff.

35. Defendant then used Plaintiff’s biometrics as an identification and authentication method to track his time, potentially with the help of a third-party vendor.

36. Defendant subsequently stored Plaintiff’s biometric data in its database(s).

37. Each time Plaintiff began and ended his workday, in addition to clocking in and out for lunches, he was required to scan his fingerprint using the biometric timeclock device.

38. Plaintiff has never been informed of the specific limited purposes or length of time for which Defendant collected, stored, or used his biometrics.

39. Plaintiff has never been informed of any biometric data retention policy developed by Defendant, nor has he ever been informed of whether Defendant will ever permanently delete his biometrics.

40. Plaintiff has never been provided with nor ever signed a written release allowing Defendant to collect, capture, store, or otherwise obtain his fingerprint(s), handprint, hand geometry, or other biometrics.

41. Plaintiff has continuously and repeatedly been exposed to the risks and harmful conditions created by Defendant's violations of BIPA alleged herein.

42. BIPA protects employees like Plaintiff and the putative Class from this precise conduct, and Defendant had no right to secure this data.

43. Through BIPA, the Illinois legislature has created a right – a right to receive certain information prior to an employer securing their highly personal, private and proprietary biometric data – and an injury – not receiving this extremely critical information.

44. Pursuant to 740 ILCS 14/15(b), Plaintiff and the putative Class were entitled to receive certain information prior to Defendant securing their biometric data; namely, information advising them of the specific limited purpose(s) and length of time for which it/they collect(s), store(s), and use(s) their fingerprint(s) and any biometrics derived therefrom; information regarding Defendant's biometric retention policy; and, a written release allowing Defendant to collect and store their private biometric data.

45. No amount of time or money can compensate Plaintiff if his biometric data is compromised by the lax procedures through which Defendant captured, stored, used, and disseminated Plaintiff's and other similarly-situated individuals' biometrics, and Plaintiff would not have provided his biometric data to any Defendant if he had known that they would retain such information for an indefinite period of time without his consent.

46. A showing of actual damages beyond a violation of the BIPA statute is not necessary in order to state a claim under BIPA. *See Rosenbach v. Six Flags Ent. Corp.*, 2019 IL 123186, ¶ 40 (“[A]n individual need not allege some actual injury or adverse effect, beyond violation of his or her rights under the Act, in order to qualify as “aggrieved” person and be entitled to seek liquidated damages and injunctive relief pursuant to the Act”).

47. As Plaintiff is not required to allege or prove actual damages beyond a violation of Plaintiff's statutory rights in order to state a claim under BIPA, he seeks statutory damages under BIPA as compensation for the injuries caused by Defendant. *Rosenbach*, 2019 IL 123186, ¶ 40.

#### **DEFENDANT'S BIOMETRIC FINGER-SCANNING OF EMPLOYEES**

48. By the time BIPA passed through the Illinois legislature in mid-2008, most companies who had experimented using employees' biometric data as an authentication method stopped doing so.

49. However, Defendant failed to take note of the shift in Illinois law governing the collection and use of biometric data. As a result, Defendant continues to collect, store, use, and disseminate employees' biometric data in violation of BIPA.

50. At relevant times, Defendant has taken the rather invasive and coercive step of requiring employees to be fingerprint scanned, and then using biometric information captured from those fingerprint scans, and data derived therefrom, to identify the employee and track employee work time.

51. After an employee's finger scans are captured, collected, and/or recorded by Defendant, employees are subsequently required to scan their finger into one of Defendant's biometric time clocks when they clock in or out at work.

52. Defendant captured, collected, stored, and/or otherwise obtained the employee's biometrics in order to identify and verify the authenticity of the employee who is clocking in or out.

53. Moreover, Defendant caused these biometrics to be associated with employees, along with other employee personal and work information.

54. Defendant has a practice of using biometric time clocks to track its employees, albeit without regard to Illinois' requirements under BIPA.

55. As part of the employee time-clocking process, Defendant caused biometrics from

employee finger scans to be recorded, collected, captured, and stored at relevant times.

56. Defendant has not, on information and belief, properly informed employees in writing that a biometric identifier or biometric information is being captured, obtained, collected or stored; informed employees in writing of the specific purpose and length of term for which a biometric identifier or biometric information is being collected, stored, and used; obtained employees' proper written consent to the capture, collection, obtainment or storage of their biometric identifier and biometric information derived from it; or obtained employees' executed written release as a condition of employment.

57. When Plaintiff arrived for work, and when Plaintiff left or clocked in or out of work, at relevant times during his employment, Defendant required Plaintiff to submit Plaintiff's finger scan to the biometric timekeeping system.

58. The system captured, collected, stored, and/or otherwise obtained Plaintiff's biometrics.

59. Defendant further required Plaintiff to scan Plaintiff's finger(s) in order to use the biometric system, so that the timekeeping system captured, collected, stored, and/or otherwise obtained Plaintiff's finger scan, matched Plaintiff's finger scan biometrics, and associated Plaintiff's biometrics with Plaintiff's identity.

60. Defendant did not at any time, on information and belief: inform Plaintiff in writing (or otherwise) that a biometric identifier and biometric information was being obtained, captured, collected, and/or stored, or of the specific purposes and length of term for which a biometric identifier or biometric information was being collected, captured, stored, and/or used; obtain, or attempt to obtain, Plaintiff's executed written release to have Plaintiff's biometrics captured, collected, stored, or recorded as a condition of employment – Plaintiff did not provide consent required by BIPA to the capture, collection, storage, obtainment, and/or use of Plaintiff's fingerprint, finger scan, finger

geometry, or associated biometrics. Nor did Plaintiff know or fully understand that Defendant was collecting, capturing, and/or storing biometrics when Plaintiff was scanning Plaintiff's finger; nor did Plaintiff know or could Plaintiff know all of the uses or purposes for which Plaintiff's biometrics were taken.

61. Upon information and belief, Defendant has not publicly disclosed its retention schedule and guidelines for permanently destroying employee biometrics, if they exist.

62. Defendant, on information and belief, has no written policy, made available to the public, that discloses its retention schedule and/or guidelines for retaining and then permanently destroying biometric identifiers and information.

63. The Pay by Touch bankruptcy that catalyzed the passage of BIPA highlights why conduct such as Defendant's – where individuals are aware that they are providing a biometric but not aware of to whom or for what purposes they are doing so – is dangerous.

64. That bankruptcy spurred Illinois citizens and legislators into realizing that it is crucial for individuals to understand when providing biometric identifiers or information such as a finger scan, and/or data derived therefrom, who exactly is collecting their biometric data, where it will be transmitted and for what purposes, and for how long.

65. Thus, BIPA is the Illinois Legislatures expression that Illinois citizens have biometric privacy rights, as created by BIPA.

66. Defendant disregarded these obligations and instead unlawfully collected, stored, and used employees' biometric identifiers and information, without ever receiving the individual's informed written consent as required by BIPA.

67. Because Defendant neither published a BIPA-mandated data retention policy nor disclosed the purposes for their collection of biometric data, Defendant's employees have no idea whether Defendant sells, discloses, re-discloses, or otherwise disseminates his or her biometric data.

68. Nor are Plaintiff and the putative Class told whom Defendant currently discloses his or her biometric data, or what might happen to his or her biometric data in the event of a buyout, merger, or a bankruptcy.

69. By and through the actions detailed above, Defendant has not only disregard the Class' privacy rights, but it has also violated BIPA.

70. Defendant's above-described use of biometrics benefits only Defendant. There is no corresponding benefit to employees: Defendant has required or coerced employees to comply in order to receive a paycheck, after they have been committed to the job.

#### **CLASS ALLEGATIONS**

71. Plaintiff brings this action on behalf of himself and pursuant to 735 ILCS 5/2-801 on behalf of a class (hereinafter the "Class") defined as follows:

All persons who were enrolled in the biometric timekeeping system and subsequently used a biometric timeclock while employed/working for Defendant in Illinois during the applicable statutory period.

Excluded from the class are Defendant's officers and directors, Plaintiff's counsel, and any member of the judiciary presiding over this action.

72. **Numerosity:** The exact number of class members is unknown and is not available to Plaintiff at this time, but upon information and belief, there are in excess of forty potential class members, and individual joinder in this case is impracticable. Class members can easily be identified through Defendant's records and allowing this matter to proceed on a class basis will prevent any retaliation by Defendant against current employees who are currently having their BIPA rights violated.

73. **Common Questions:** There are several questions of law and fact common to the claims of Plaintiff and the Class members, and those questions predominate over any questions that may affect individual Class members. Common questions include, but are not limited to, the following:



- a. whether Defendant has a practice of capturing or collecting employees' biometrics;
- b. whether Defendant developed a written policy, made available to the public, establishing a retention schedule and guidelines for permanently destroying biometric identifiers and information when the initial purpose for collecting or obtaining such identifiers or information has been satisfied or within three years of the individual's last interaction with Defendant, whichever occurs first;
- c. whether Defendant obtained an executed written release from finger scanned employees before capturing, collecting, or otherwise obtaining employee biometrics;
- d. whether Defendant obtained an executed written release from finger scanned employees, as a condition of employment, before capturing, collecting, converting, sharing, storing or using employee biometrics;
- e. whether Defendant provided a writing disclosing to employees the specific purposes for which the biometrics are being collected, stored, and used;
- f. whether Defendant provided a writing disclosing to finger scanned employees the length of time for which the biometrics are being collected, stored, and used;
- g. whether Defendant's conduct violates BIPA;
- h. whether Defendant's conduct was negligent, reckless, or willful;
- i. whether Plaintiff and Class members are entitled to damages, and what is the proper measure of damages;

74. **Adequacy of Representation:** Plaintiff will fairly and adequately represent and protect the interest of the class and has retained competent counsel experienced in complex litigation and class action litigation. Plaintiff has no interests antagonistic to those of the class, and Defendant has no defenses unique to Plaintiff.

75. **Appropriateness:** Class proceedings are also superior to all other available methods for the fair and efficient adjudication of this controversy because joinder of all parties is impracticable. Further, it would be virtually impossible for the individual members of the Class to obtain effective relief because of the fear and likelihood of retaliation by Defendant against current employees bringing a civil action as an individual. Even if Class members were able or willing to pursue such individual litigation, a class action would still be preferable due to the fact that a multiplicity of individual actions

would likely increase the expense and time of litigation given the complex legal and factual controversies presented in this Class Action Complaint. A class action, on the other hand, provides the benefits of fewer management difficulties, single adjudication, economy of scale, and comprehensive supervision before a single Court, and would result in reduced time, effort and expense for all parties and the Court, and ultimately, the uniformity of decisions.

**COUNT I – FOR DAMAGES AGAINST DEFENDANT  
VIOLATION OF 740 ILCS 14/15(a) – FAILURE TO INSTITUTE, MAINTAIN, AND ADHERE TO  
PUBLICLY AVAILABLE RETENTION SCHEDULE**

76. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

77. BIPA mandates that companies in possession of biometric data establish and maintain a satisfactory biometric data retention – and, importantly, deletion – policy. Specifically, those companies must: (i) make publicly available a written policy establishing a retention schedule and guidelines for permanent deletion of biometric data (at most three years after the company’s last interaction with the individual); and (ii) actually adhere to that retention schedule and actually delete the biometric information. See 740 ILCS 14/15(a).

78. Defendant fails to comply with these BIPA mandates.

79. Defendant is an Illinois corporation registered to do business in Illinois and thus qualifies as a “private entity” under BIPA. See 740 ILCS 14/10.

80. Plaintiff is an individual who had his “biometric identifiers” collected by each Defendant, as explained in detail in above. See 740 ILCS 14/10.

81. Plaintiff’s biometric identifiers were used to identify Plaintiff and, therefore, constitute “biometric information” as defined by BIPA. See 740 ILCS 14/10.

82. Defendant failed to provide a publicly available retention schedule or guidelines for permanently destroying biometric identifiers and biometric information as specified by BIPA. See 740 ILCS 14/15(a).

83. Upon information and belief, Defendant lacks retention schedules and guidelines for permanently destroying Plaintiff's and the Class's biometric data and have not and will not destroy Plaintiff's and the Class's biometric data when the initial purpose for collecting or obtaining such data has been satisfied or within three years of the individual's last interaction with the company.

84. On behalf of himself and the Class, Plaintiff seeks: (1) declaratory relief; (2) injunctive and equitable relief as is necessary to protect the interests of Plaintiff and the Class by requiring each Defendant to comply with BIPA's requirements for the collection, storage, and use of biometric identifiers and biometric information as described herein; (3) statutory damages of \$5,000 for each intentional and/or reckless violation of BIPA pursuant to 740 ILCS 14/20(2) or, in the alternative, statutory damages of \$1,000 for each negligent violation of BIPA pursuant to 740 ILCS 14/20(1); and (4) reasonable attorneys' fees and costs and other litigation expenses pursuant to 740 ILCS 14/20(3).

**COUNT II – FOR DAMAGES AGAINST DEFENDANT  
VIOLATION OF 740 ILCS 14/15(b) – FAILURE TO OBTAIN INFORMED WRITTEN CONSENT AND  
RELEASE BEFORE OBTAINING BIOMETRIC IDENTIFIERS OR INFORMATION**

85. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

86. BIPA requires companies to obtain informed written consent from employees before acquiring their biometric data. Specifically, BIPA makes it unlawful for any private entity to “collect, capture, purchase, receive through trade, or otherwise obtain a person’s or a customer’s biometric identifiers or biometric information unless [the entity] first: (1) informs the subject...in writing that a biometric identifier or biometric information is being collected or stored; (2) informs the subject...in writing of the specific purpose and length of term for which a biometric identifier or biometric information is being collected, stored, and used; and (3) receives a written release executed by the subject of the biometric identifier or biometric information...” 740 ILCS 14/15(b) (emphasis added).

87. Defendant fails to comply with these BIPA mandates.

88. Defendant is an Illinois corporation registered to do business in Illinois and thus qualifies as a “private entity” under BIPA. See 740 ILCS 14/10.

89. Plaintiff and the Class are individuals who have had their “biometric identifiers” collected by Defendants, as explained in detail above. See 740 ILCS 14/10.

90. Plaintiff’s and the Class’s biometric identifiers were used to identify them and, therefore, constitute “biometric information” as defined by BIPA. See 740 ILCS 14/10.

91. Defendant systematically and automatically collected, used, stored and disseminated Plaintiff’s and the Class’s biometric identifiers and/or biometric information without first obtaining the written release required by 740 ILCS 14/15(b)(3).

92. Defendant never informed Plaintiff and the Class in writing that their biometric identifiers and/or biometric information were being collected, stored, used and disseminated, nor did Defendant inform Plaintiff and the Class in writing of the specific purpose(s) and length of term for which their biometric identifiers and/or biometric information were being collected, stored, used and disseminated as required by 740 ILCS 14/15(b)(1)-(2).

93. By collecting, storing, using and disseminating Plaintiff’s and the Class’s biometric identifiers and biometric information as described herein, Defendant violated Plaintiff’s and the Class’s rights to privacy in their biometric identifiers and/or biometric information as set forth in BIPA. See 740 ILCS 14/1, *et seq.*

94. On behalf of himself and the Class, Plaintiff seeks: (1) declaratory relief; (2) injunctive and equitable relief as is necessary to protect the interests of Plaintiff and the Class by requiring Defendant to comply with BIPA’s requirements for the collection, storage, use and dissemination of biometric identifiers and biometric information as described herein; (3) statutory damages of \$5,000 for each intentional and/or reckless violation of BIPA pursuant to 740 ILCS 14/20(2) or, in the alternative, statutory damages of \$1,000 for each negligent violation of BIPA pursuant to 740 ILCS

14/20(1); and (4) reasonable attorneys' fees and costs and other litigation expenses pursuant to 740 ILCS 14/20(3).

**COUNT III – FOR DAMAGES AGAINST DEFENDANT  
VIOLATION OF 740 ILCS 14/15(d) – DISCLOSURE OF BIOMETRIC IDENTIFIERS AND  
INFORMATION BEFORE OBTAINING CONSENT**

95. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

96. BIPA prohibits private entities from disclosing a person's or customer's biometric identifier or biometric information without first obtaining consent for that disclosure. *See* 740 ILCS 14/15(d)(1).

97. Defendant fails to comply with this BIPA mandate.

98. Defendant is an Illinois corporation registered to do business in Illinois and thus qualifies as a "private entity" under BIPA. *See* 740 ILCS 14/10.

99. Plaintiff and the Class are individuals who have had their "biometric identifiers" collected by Defendants, as explained in detail above. *See* 740 ILCS § 14/10.

100. Plaintiff's and the Class's biometric identifiers were used to identify them and, therefore, constitute "biometric information" as defined by BIPA. *See* 740 ILCS § 14/10.

101. Defendant systematically and automatically disclosed, redisclosed, or otherwise disseminated Plaintiff's and the Class's biometric identifiers and/or biometric information without first obtaining the consent required by 740 ILCS 14/15(d)(1).

102. By disclosing, redisclosing, or otherwise disseminating Plaintiff's and the Class's biometric identifiers and biometric information as described herein, Defendant violated Plaintiff's and the Class's rights to privacy in their biometric identifiers and/or biometric information as set forth in BIPA. *See* 740 ILCS 14/1, *et seq.*

103. On behalf of himself and the Class, Plaintiff seeks: (1) declaratory relief; (2) injunctive and equitable relief as is necessary to protect the interests of Plaintiff and the Class by requiring

Defendant to comply with BIPA's requirements for the collection, storage, use and dissemination of biometric identifiers and biometric information as described herein; (3) statutory damages of \$5,000 for each intentional and/or reckless violation of BIPA pursuant to 740 ILCS 14/20(2) or, in the alternative, statutory damages of \$1,000 for each negligent violation of BIPA pursuant to 740 ILCS § 14/20(1); and (4) reasonable attorneys' fees and costs and other litigation expenses pursuant to 740 ILCS § 14/20(3).

#### **PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiff, individually and on behalf of the Class of similarly situated individuals, prays for an Order as follows:

- A. Finding this action satisfies the prerequisites for maintenance as a class action set forth in 735 ILCS 5/2-801, *et seq.*, and certifying the Class as defined herein;
- B. Designating and appointing Plaintiff as representative of the Class and Plaintiff's undersigned counsel as Class Counsel;
- C. Declaring that Defendant's actions, as set forth above, violate BIPA;
- D. Awarding Plaintiff and the Class members statutory damages of \$5,000 for *each* intentional and/or reckless violation of BIPA pursuant to 740 ILCS 14/20(2); statutory damages of \$1,000 per *each* negligent violation of BIPA pursuant to 740 ILCS 14/20(1);
- E. Declaring that Defendant's actions, as set forth above, were intentional or reckless;
- F. Declaring that Defendant's actions, as set forth above, were negligent;
- G. Awarding injunctive and other equitable relief as is necessary to protect the interests of Plaintiff and the Class, including an Order requiring Defendants to collect, store, use and disseminate biometric identifiers and/or biometric information in compliance with BIPA;
- H. Awarding Plaintiff and the Class members reasonable attorneys' fees and costs incurred in this litigation pursuant to 740 ILCS 14/20(3);
- I. Awarding Plaintiff and the Class pre- and post-judgment interest, to the extent allowable; and
- J. Granting all such other and further relief as the Court deems just and appropriate.



Dated: July 27, 2021

Respectfully Submitted:

By: /s/ Brandon M. Wise

Brandon M. Wise – IL Bar # 6319580

Paul A. Lesko – IL Bar # 6288806

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COUNSEL FOR THE PLAINTIFF AND THE PUTATIVE CLASS

Hearing Date: 11/24/2021 10:00 AM - 10:00 AM  
Courtroom Number: 2405  
Location: District 1 Court  
Cook County, IL

FILED  
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EXHIBIT A

IN THE CIRCUIT COURT  
TWENTIETH JUDICIAL CIRCUIT  
ST. CLAIR COUNTY, ILLINOIS

SAROYA ROBERSON, individually and on  
behalf of all others similarly situated,

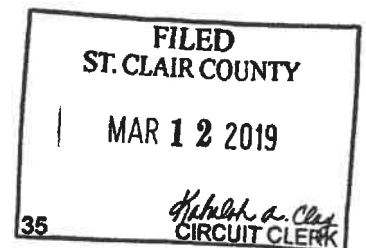
Plaintiff,

v.

SYMPHONY POST ACUTE CARE  
NETWORK; SYMPHONY SYCAMORE  
LLC; SYMPHONY HEALTHCARE LLC;  
SYMPHONY M.L. LLC; SYMPHONY  
MONARCH HOLDINGS, LLC; and DOE  
DEFENDANTS 1-100,

Defendants.

Case No. 17 -L- 733



**MEMORANDUM AND ORDER**  
**ON CLASS CERTIFICATION**

The case comes before the Court on Plaintiff's Motion for Class Certification ("Motion").

The issues have been briefed and argued by the parties.<sup>1</sup> The Court hereby **ORDERS**:

**I. NATURE OF THE CASE AND PLAINTIFF'S MOTION FOR CLASS CERTIFICATION.**

Plaintiff Saroya Roberson worked at a nursing home in Swansea, Illinois. Plaintiff alleges that as part of timekeeping while she worked at this location, Defendants and others captured her biometric information or biometric identifiers (a palm scan) within the meaning of the Illinois Biometric Privacy Information Act, 740 ILCS 14/1 ("BIPA"). Defendants' opposition brief does not dispute Roberson's biometric information or biometric identifiers were so captured.

BIPA manifests the Illinois General Assembly's findings that:

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<sup>1</sup> Arguments were heard on December 20, 2018 before Judge Julia R. Gomric. On February 8, 2019, after hearing, but before Judge Gomric ruled on the pending Motion for Class Certification, the court granted Symphony Sycamore LLC's Motion for Substitution as a Matter of Right, and this case was subsequently assigned to the undersigned. The court has reviewed the court file and report of proceedings held on December 20, 2018 and is ready to proceed without the need for additional hearing.

(1) Biometrics are uniquely sensitive identifiers. “Biometrics are unlike other unique identifiers . . . [and] are biologically unique to the individual; therefore, once compromised, the individual has no recourse, is at heightened risk for identity theft, and is likely to withdraw from biometric-facilitated transactions.” 740 ILCS § 14/5(c).

(2) Biometric technology is a new frontier subject to unpredictable developments. “The full ramifications of biometric technology are not fully known.” *Id.* at § 14/5(f).

(3) People are apprehensive of transactions involving their biometrics. The “overwhelming majority of members of the public are weary of the use of biometrics when such information is tied to finances and other personal information” and are “deterred from partaking in biometric identifier-facilitated transactions.” *Id.* at § 14/5(d)-(e).

(4) Regulation of biometric collection, use, and storage serves the public interest. The “public welfare, security and safety will be served by regulating the collection, use, safeguarding, handling, storage, retention, and destruction of biometric identifiers and information.” *Id.* at § 14/5(g).

Accordingly, BIPA puts certain requirements on parties dealing with biometric identifiers or biometric information, including:

(b) No private entity may collect, capture, purchase, receive through trade, or otherwise obtain a person's or a customer's biometric identifier or biometric information, unless it first:

(1) informs the subject or the subject's legally authorized representative in writing that a biometric identifier or biometric information is being collected or stored;

(2) informs the subject or the subject's legally authorized representative in writing of the specific purpose and length of term for which a biometric identifier or biometric information is being collected, stored, and used; and

(3) receives a written release executed by the subject of the biometric identifier or biometric information or the subject's legally authorized representative.

740 ILCS 14/5(b) (2018).

Plaintiff alleges none of these requirements were met when capturing her biometric information. Defendants' opposition to the Motion does not dispute this.

BIPA further provides a right of action for violations of its requirements:

Sec. 20. Right of action. Any person aggrieved by a violation of this Act shall have a right of action in a State circuit court . . . against an offending party. A prevailing party may recover for each violation:

(1) against a private entity that negligently violates a provision of this Act, liquidated damages of \$1,000 or actual damages, whichever is greater;

(2) against a private entity that intentionally violates a provision of this Act, liquidated damages of \$5,000 or actual damages, whichever is greater; . . . .

740 ILCS 14/20 (2018). Plaintiff brought this action pursuant to these and other provisions of BIPA.

Plaintiff alleges the Swansea, Illinois location where her biometric identifiers were captured is part of a network, the Symphony Post Acute Network ("SPAN" or the "Network"). She seeks to certify a class of Illinois citizens who had their biometric information or biometric identifiers captured, collected, *etc.* at any Illinois location in the Network (and associated subclasses discussed below):

All Illinois citizens whose biometric information was collected, captured, purchased, received through trade, or otherwise obtained in Illinois at any location associated with the Symphony Post Acute Care Network, a/k/a Symphony Post Acute Network, as set forth in the Illinois Biometric Information Privacy Act, 740 ILCS 14/5 *et seq.*

Excluded from the proposed Class are employees, officers, directors, subsidiaries and affiliates of any person or business associated with the Symphony Post Acute Care Network, a/k/a Symphony Post Acute Network, the judge or any officer of the court presiding over this action.

## **II. LAW REGARDING A DETERMINATION OF CLASS CERTIFICATION.**

"In determining whether to certify a proposed class, the trial court . . . should avoid

deciding the underlying merits of the case or resolving unsettled legal questions.” *CE Design Ltd. v. C & T Pizza, Inc.*, 2015 IL App (1st) 131465 (2015), ¶ 9. “In making its decision as to whether to certify a class, the court may consider any matters of fact or law properly presented by the record, which includes the pleadings, depositions, affidavits, answers to interrogatories, and any evidence that may be adduced at the hearings.” *Bueker*, 2016 IL App (5th) 150282 at ¶ 22. “To determine whether the proposed class should be certified, the court accepts the allegations of the complaint as true.” *Clark*, 343 Ill. App. 3d at 544-45. *See also CD Design*, 2015 IL App (1st) 131465 at ¶ 9 (“In determining whether to certify a proposed class, the trial court accepts the allegations of the complaint as true . . . .”); *S37 Mgmt.*, 2011 IL App (1st) 102496 at ¶ 15 (same).

The factors which the Court must consider on a motion for class certification are the familiar framework established by statute. For a suit to proceed as a class action in Illinois, the Court must find that: (1) the class is so numerous that joinder of all members is impracticable; (2) there are questions of fact or law common to the class, which predominate over any questions affecting only individual members; (3) the representative parties will fairly and adequately protect the interests of the class; and (4) a class action is an appropriate method for the fair and efficient adjudication of the controversy. 735 ILCS 5/2-801 (2018). *See also e.g. Clark, et al. v. TAP Pharm. Prods., Inc., et al.*, 343 Ill. App. 3d 538, 544-45 (5th Dist. 2003).

### **III. FIRST FACTOR: NUMEROSITY (735 ILCS 5-2/801(1)).**

Section 801(1) requires not only that the number of plaintiffs be numerous, but also that joinder of plaintiffs in one individual action be impractical. 735 ILCS 5/2-801(1). Where there are a number of potential claimants, and the individual amount claimed by each is small,



making redress on an individual level difficult, if not impossible, Illinois courts have been particularly receptive to proceeding on a class action basis. *Miner v. Gillette Co.*, 87 Ill.2d 7 (1981). Avoiding unnecessary burdens on the courts themselves is also a legitimate concern. “Affirming the trial court’s class certification order will avoid the filing of numerous, repetitive cases placing a burden on the court.” *Fakhoury v. Pappas*, 395 Ill. App. 3d 302, 316 (1st Dist. 2009).

Plaintiff states that Defendants have identified, at a minimum, 552 workers who would be members of the class from the Swansea, Illinois location alone. Defendants’ opposition to the Motion does not dispute this; in fact, Defendants’ opposition does not mention numerosity at all. Accordingly, the Court finds that the numerosity factor is satisfied. *See Wood River Area Dev. Corp. v. Germania Fed. Sav. and Loan Ass’n*, 198 Ill. App. 3d 445 (5th Dist. 1990).

**IV. SECOND FACTOR: COMMON AND PREDOMINANT ISSUES OF FACT OR LAW (735 ILCS 5-2/801(2)).**

Section 801(2) requires “questions of fact or law common to the class.” 735 ILCS 5/2-801(2) (2018). As the statute is phrased in the alternative, certification requires “only that there be either a predominating common issue of law or fact, not both.” *Martin v. Heinold Commodities, Inc.*, 117 Ill.2d 67, 81 (1994).

Plaintiff suggests that a case presents common issues when defendants have engaged in the same or similar course of conduct, and that this is particularly true where – as here – the claims are based predominantly upon the application of a single statute or statutory scheme. “A common question may be shown when the claims of the individual class members are based upon the common application of a statute . . . .” *Clark*, 343 Ill. App. 3d at 548. *See also Bueker*, 2016 IL App (5th) 150282, ¶ 27 (“With regard to the commonality requirement, a common issue

may be shown where the claims of the individual class members are based upon the common application of a statute or where the proposed class members are aggrieved by the same or similar conduct or pattern of conduct.”); *Hall*, 376 Ill. App. 3d at 831 (same).<sup>2</sup> Defendants’ opposition to the Motion did not dispute this general premise.

Thus, according to Plaintiff, “Examination quickly establishes that commonality is easily satisfied in this case. All class members are citizens of Illinois. All are proceeding principally under a single Illinois statute, BIPA. Each was subjected to an identical course of conduct by defendants: The capture of their biometric information.”

Plaintiff further goes on to enumerate specific questions of law or fact which she states will predominate:

- a. Whether the Defendants captured, collected, stored or used the biometric information of the Plaintiff and the Class?
- b. If the Defendants captured, collected, stored or used the biometric information of the Plaintiff and the Class, did the Defendants inform the Plaintiff and the Class in writing that a biometric identifier or biometric information was being collected or stored?
- c. If the Defendants captured, collected, stored or used the biometric information of the Plaintiff and the Class, did the Defendants inform the Plaintiff and the Class in writing of the specific purpose and length of term for which a biometric identifier or biometric information was being collected, stored, and used?
- d. If the Defendants captured, collected, stored or used the biometric information of the Plaintiff and the Class, did the Defendants receive a written release executed by the Plaintiff and the Class of the biometric identifier or biometric information or the Plaintiff’s or Class’ legally

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<sup>2</sup> Bearing in mind that the court does not consider the merits at this stage, see *supra*, the Court also does not consider which class members will ultimately prevail. “That some members of the class are not entitled to relief because of some particular factor will not bar the class action.” *Clark*, 343 Ill. App. 3d at 549. See also *Hall*, 376 Ill. App. 3d at 831-32 (“That some members of the class are not entitled to relief will not bar the class action.”).

authorized representative?

- e. If the Defendants captured, collected, stored or used the biometric information of the Plaintiff and the Class, did the Defendants develop a written policy, made available to the public, establishing a retention schedule and guidelines for permanently destroying biometric identifiers and biometric information when the initial purpose for collecting or obtaining such identifiers or information has been satisfied or within 3 years of the individual's last interaction with the private entity, whichever occurs first?
- f. Whether Defendants' violations of BIPA were negligent, or instead, intentional or reckless, within the meaning of 740 ILCS 14/20?

Thus, Plaintiff summarizes: "Defendants' compliance with the requirements of BIPA – a single statutory scheme – is the central question in this case. This same question will predominate for each and every class member."

Defendants argue that common questions do not predominate in this case. Defendants assert that "The purpose of the predominance requirement is to ensure that the proposed class is sufficiently cohesive to warrant adjudication by representation . . . ' *Smith v. Illinois Cent. R.R. Co.*, 223 Ill. 2d 441, 448 (2006)." According to Defendants, to satisfy this predominance requirement, a plaintiff must show that "successful adjudication of the class representative's individual claim 'will establish a right of recovery in other class members' such that 'all that should remain is for other class members to file proof of their claim., *Id.* (quotation omitted); see also *Mashal v. City of Chicago*, 2012 IL 112341, ¶133 (same)."

Defendants then go on to provide a list of issues they claim defeat commonality and predominance in this case:

- a. whether a class member used the same type of "finger or hand print reader/scanner" that Roberson used,

- b. whether a class member has suffered a sufficient injury to invoke BIPA's private right of action,
- c. whether a class member has suffered actual injury such that actual damages could be recovered in excess of the BIPA's liquidated damages,
- d. whether that injury exceeds the liquidated damages provision in BIPA,
- e. whether that injury was suffered at the hands of any person or business that is in fact "associated with the Symphony Post-Acute Care Network, a/k/a Symphony Post-Acute Network,"
- f. whether that entity acted negligently or willfully with respect to that particular class member,
- g. whether that class member's claim is subject to any affirmative defenses, like consent or ratification.

First, since the hearing on Plaintiff's Motion on December 20, 2018, the Supreme Court of Illinois has ruled that "an individual need not allege some injury or adverse effect, beyond violation of this or her right under [BIPA], in order to qualify as an 'aggrieved' person and be entitled to seek liquidated damages and injunctive relief pursuant to the Act." *Rosenbach v. Six Flags Entertainment Corp.*, 2019 IL 123186, slip op. at p.13 (Ill. Jan. 25, 2019). As such, many of the arguments raised above are moot.

Moreover, it is well-established that by themselves, such issues do not defeat class certification. "Individual questions of injury and damages do not defeat class certification." *Clark*, 343 Ill. App. 3d at 549. *See also Hall*, 376 Ill. App. 3d at 832 (same). At most, if damage questions do present significant issues, they can be handled in ancillary proceedings. "It is appropriate to litigate the questions of law or fact common to all members of the class and, after the determination of the common questions, to determine in an ancillary proceeding or proceedings the questions that may be peculiar to individual class members." *Clark*, 343 Ill.

App. 3d at 548 (internal quotations omitted). In fact, Defendants' own cited authority establishes that these differences (if true) are generally not grounds to defeat class certification. *Walczak v. Onyx Acceptance Corp.*, 365 Ill. App. 3d 664, 679 (2nd Dist. 2006). ("Moreover, we note that, generally, individual counterclaims or defenses do not render a case unsuitable for class action.")

More broadly, Defendants' characterization of the common issues in this case, and which of them will predominate, is questionable. *Smith* was a toxic tort case involving a train derailment, and then a resulting chemical spill, with all the attenuated questions as to proximate causation of bodily injury resulting from a complicated series of events. *Smith*, 233 Ill.2d 442-58. This is not that case. This case involves a single statutory scheme – BIPA – and the issues presented can be summarized in a straightforward way: Did the Network capture biometric information from members of the class, and if so, did they comply with BIPA while doing so? These questions are what will consume "the bulk of the time at trial." *Smith*, 233 Ill.2d at 458.

That BIPA's straightforward, statutory requirements may have been met in some cases, but not others, does not preclude class certification, as Defendants suggest. First, this invites the Court to determine the merits of the case, which the Court does not do at this stage, as has already been established.

Second, the fact that some class members may recover, but not all, is no impediment to class certification. "That some members of the class are not entitled to relief because of some particular factor will not bar the class action." *Clark*, 343 Ill. App. 3d at 549. See also *Hall*, 376 Ill. App. 3d at 831-32 ("That some members of the class are not entitled to relief will not bar the

class action.”).

Third, the flexibility of the class action procedure ensures that even if the issues Defendants raise do become significant at some future point in time, the Court has the ability to address such matters then. “If individual damage determinations are necessary, the court can utilize various procedures to determine damages, including the creation of subclasses.” *Bueker*, 2016 IL App (5th), ¶ 31 (citing *Hall*, 376 Ill. App. 3d at 832). “Furthermore, if the class becomes unmanageable at some later time in the litigation, the court always has the option to set aside the class certification or a portion of it.” *Id.* (citing *Purcell & Wardrobe Chtd. v. Hertz Corp.*, 175 Ill.App.3d 1069, 1075 (1st Dist. 1988)).

Finally, while the Court finds that common questions of fact or law will predominate this case as a whole, it alternately finds that issue certification would be appropriate as well. Even in cases involving the most complex questions of injury or damages – and again, this is not that case, as it arises under a single simple statute – classes may be certified as to issues, such as legal issues, or the issue of liability. Even the cases Defendants themselves cite recognize this. *See e.g. Smith*, 223 Ill.2d at 457 (“the trial court in this case did not limit class certification to the issue of liability . . . .”); *Bueker*, 2016 IL App (5th) 150282, ¶ 34 (courts have the ability to limit certification for liability purposes only). Thus, in the alternative, the commonality and predominance of legal and liability issues in this case demonstrate it is also appropriately suited for certification as to common legal issues, and to issues concerning liability.

**V. THIRD FACTOR: ADEQUATE REPRESENTATION OF THE INTERESTS OF THE CLASS (735 ILCS 5-2/801(3)).**

Section 801(3) requires that the “representative parties will fairly and adequately protect the interests of the class.” 735 ILCS 5/2-801(2) (2018). Adequate representation has



two components: (1) adequacy of the named Plaintiff; and (2) adequacy of the named Plaintiff's attorneys. See *Miner v. Gillette Co.*, 87 Ill.2d 7 (1981). As Defendant posits, "[t]he purpose of the adequate representation requirement is to ensure that all class members will receive proper, efficient, and appropriate protection of their interests in the presentation of the claim. *Walczak*, 365 Ill. App. 3d at 678.

Defendants do not argue that Plaintiff's attorneys are inadequate. Accordingly, the Court accepts that they will provide proper, efficient, and appropriate protection of the interests of the class in presenting the claims.

Defendants do, however, challenge the adequacy of Plaintiff Roberson. The principal argument made by Defendants is that the interests of Roberson are antagonistic to those of the class, as class members may want to seek a monetary award, and that (according to Defendants) during her deposition Roberson disclaimed any intention of seeking a monetary recovery.

This is wholly unpersuasive. Plaintiff, by way of her pleadings, discovery responses, statements of her attorneys, and otherwise, has made it abundantly clear on multiple occasions that she seeks a monetary recovery in this action, not only on her own behalf, but also on behalf of the other class members. Her deposition responses did not contradict that. In fact, Plaintiff stated she wants the law (BIPA) enforced, and BIPA expressly provides for monetary awards.

The rest of Defendants' adequacy arguments are much in the same vein. Quizzing Plaintiff on what she understands about Defendants' corporate structure, or how the law interprets "injury" or "damages," does nothing to demonstrate Plaintiff's inadequacy as a class

representative, as it does nothing to show that Plaintiff is either antagonistic to the class or will fail to properly pursue the interests of the class. It merely demonstrates that Plaintiff, a layperson, does not understand the intricacies of the law or lawsuits. But that is why a representative is – not only encouraged, but outright *required* – to hire effective legal counsel.

In short, the quantum of understanding necessary on the part of a representative is not nearly as complex as Defendants would have it. “The plaintiff class representative need only have a marginal familiarity with the facts of his case and does not need to understand the legal theories upon which his case is based to a greater extent.” *Clark*, 343 Ill. App. 3d at 550-51 (internal quotations omitted). The Court finds that the adequacy of representation requirement is fulfilled in this case.

**VI. FOURTH FACTOR: THE CLASS ACTION PROCEDURE IS THE APPROPRIATE METHOD FOR THE FAIR AND EFFICIENT ADJUDICATION OF THE CONTROVERSY (735 ILCS 5-2/801(4)).**

Finally, the fourth statutory factor requires the Court to consider whether “[t]he class action is an appropriate method for the fair and efficient adjudication of the controversy.” 735 ILCS 5/2-801(d) (2018). The balance of Defendants’ remaining arguments are entered on this factor.

One of these arguments centers around who was Plaintiff’s employer. Defendants seem to invest this with independent legal significance. But this was already addressed in the context of Defendants’ § 2-615 motion to dismiss. The terms “employer” and “employee” appear nowhere in BIPA, nor do any related terms. In fact, BIPA expressly contemplates many circumstances well outside the employment context, such as “finger-scan technologies at grocery stores, gas stations, and school cafeterias.” 740 ILCS 14-5(b) (2018).

Accordingly, dividing the world up into “Employer Defendants” and “Non-Employer

Defendants” is meaningless for purposes of BIPA liability, which applies to any “private entity” (740 ILCS 14/10-15 (2018)) who constitutes an “offending party” (740 ILCS 14-20 (2018)).

To the extent Defendants’ argument asks this Court to first construe those terms, and then to apply them to the facts of this case, the Court must decline. This involves disputed issues of fact, going to the merits of the case, and/or unsettled legal issues. As previously established, it is not the province of the Court to decide these issues on a motion to certify a class. Nor will the Court render an advisory opinion. Indeed, issues like this weigh affirmatively in *favor* of class certification, as they will be common questions to which any affected class member will seek an answer – no matter what that answer may be.

Much the same is true for Defendants’ other arguments, which may be broadly classified as “corporate liability.” Defendants claim each Network location is independently owned and operated, and argue that only some defendants will be liable as to some class members, mentioning in passing things such as the statutes regarding limited liabilities. Defendants make a further argument that they cannot be held liable for anything other than events occurring in Swansea. Defendants even go so far as to as to argue there are “constitutional concerns” as to the rights of any non-party entities. Defendants do not provide any explanation, however, as to how Defendants would have standing to raise any such concerns on behalf of entities with whom they also disavow any connection.

For her part, Plaintiff points out that she has pleaded from the outset of the case a variety of theories assessing mutual liability of the Network. Those theories include topics such as *respondeat superior*, alter ego, agency, joint enterprise, civil conspiracy, etc. Plaintiff points out any assertion by Defendants as to who did or did not operate any given Network location

simply begs the questions this lawsuit will answer. Plaintiff further contends that the fact Defendants raise these common questions shows all the more strongly why this case should proceed as a class action.

Both sides have presented discovery responses, discovery productions, public documents, Network documents, *etc.* in support of their positions. The Court has reviewed all of these materials. The Court finds that none of these materials conclusively resolves such issues either way.

Accordingly, the Court concludes that the parties have legitimate disputes of material facts over these issues, and those issues intersect in several instances with unresolved questions of law. The Court further finds that many of these arguments go to the merits of the case. As such, the Court will not resolve them on a motion for class certification. Nor will the Court issue an advisory opinion.

Once again, the presence of such sweeping issues – essentially, “who is liable for what, and to whom” – argues in favor of class certification, not against it. Seeking the answers to these questions – questions applicable across the class, and the common answers which will be generated – makes proceeding on a class basis an appropriate method for the fair and efficient adjudication of these controversies.

## **VII. ORDER AND FINDINGS.**

Pursuant to the foregoing analysis, the Court finds the case is proper to proceed as a class action in accordance with 735 ILCS 5/2-801 (2018). The Court hereby certifies the following class:

All Illinois citizens whose biometric information was collected, captured, purchased, received through trade, or otherwise obtained in Illinois at any location associated with

the Symphony Post Acute Care Network, a/k/a Symphony Post Acute Network, as set forth in the Illinois Biometric Information Privacy Act, 740 ILCS 14/5 *et seq.*

Excluded from the proposed Class are employees, officers, directors, subsidiaries and affiliates of any person or business associated with the Symphony Post Acute Care Network, a/k/a Symphony Post Acute Network, the judge or any officer of the court presiding over this action.

The Court also finds it appropriate to certify the following subclass:

All Illinois citizens whose biometric information was collected, captured, purchased, received through trade, or otherwise obtained in Illinois at the Symphony Post Acute Care Network, a/k/a Symphony Post Acute Network location in Swansea, Illinois, as set forth in the Illinois Biometric Information Privacy Act, 740 ILCS 14/5 *et seq.*

Excluded from the proposed Class are employees, officers, directors, subsidiaries and affiliates of any person or business associated with the Symphony Post Acute Care Network, a/k/a Symphony Post Acute Network, the judge or any officer of the court presiding over this action.

The Court finds it appropriate to certify each of these classes as to all issues in this case. The Court further finds it appropriate to certify these classes as to legal and factual issues concerning the liability of the Network and those associated with it. The Court reserves jurisdiction to certify further subclasses or otherwise amend these certifications as circumstances warrant.

**SO ORDERED:**

**DATE:** March 12, 2019.



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Hon. Kevin T. Hoerner

14225461

Judge:

In this case, Plaintiff Fabio Garfias (“Plaintiff”) alleges that Defendant Superior Knife, LLC (“Defendant”) systematically violated the Biometric Information Privacy Act (“BIPA”), 740 ILCS 14/1, *et seq.* This case is well suited for class certification pursuant to 735 ILCS 5/2-801. Specifically, Plaintiff seeks to certify a class consisting of several hundred or more individuals who had their biometrics collected, captured, and/or stored by Defendant in the State of Illinois during the applicable statutory period in violation of BIPA. The question of liability is a legal question that can be answered in one fell swoop. As Plaintiff’s claims and the claims of similarly-situated individuals all arise from Defendant’s uniform policies and practices, they satisfy the requirement of 735 ILCS 5/2-801 and should be certified. Notably, to Plaintiff’s Counsels’ knowledge, the only BIPA class certification decisions issued to date have granted class certification. See, *In re Facebook Biometric Info. Privacy Litig.*, 326 F.R.D. 535 (N.D. Cal. 2018) (granting class certification) *aff’d Patel v. Facebook, Inc.*, 932 F.3d 1264 (9th Cir. 2019); and Ex. A, Mem. and Order, *Roberson v. Symphony Post Acute Care Network, et al.*, 17-L-733 (St. Clair County) (same).



Plaintiff moves for class certification to protect members of the proposed class, individuals whose proprietary and legally protected personal and private biometric data was invaded by Defendant. Plaintiff believes that the evidence and argumentation submitted with this motion are sufficient to allow the class to be certified now. However, in the event the Court (or Defendant) wishes for the parties to undertake formal discovery prior to the Court's consideration of this motion, Plaintiff requests that the Court allow Plaintiff to supplement his briefing and defer the response and reply deadlines.

## **I. RELEVANT BACKGROUND**

### **A. The Biometric Information Privacy Act**

Major national corporations started using Chicago and other locations in Illinois in the early 2000s to test “new [consumer] applications of biometric-facilitated financial transactions, including finger-scan technologies at grocery stores, gas stations, and school cafeterias.” 740 ILCS 14/5(c). Given its relative infancy, an overwhelming portion of the public became wary of this then-growing, yet unregulated, technology. *See* 740 ILCS 14/5.

The Biometric Information Privacy Act, 740 ILCS 14/1, *et seq.* was enacted in 2008, arising from concerns that these experimental uses of finger-scan technologies created a “very serious need of protections for the citizens of Illinois when it comes to biometric information.” Illinois House Transcript, 2008 Reg. Sess. No. 276. Under the Act, it is unlawful for a private entity to, among other things, “collect, capture, purchase, receive through trade, or otherwise obtain a person’s or a customer’s biometric identifiers or biometric information unless it first:

- (1) Informs the subject . . . in writing that a biometric identifier or biometric information is being collected or stored;
- (2) Informs the subject . . . in writing of the specific purpose and length of term for which a biometric identifier or biometric information is being collected, stored, and used; and

- (3) Receives a written release executed by the subject of the biometric identifier or biometric information.”

740 ILCS 14/15(b).

Although there may be benefits with using biometrics, there are also serious risks. Unlike ID badges or time cards – which can be changed or replaced if stolen or compromised – biometrics, including fingerprints, are unique, permanent biometric identifiers associated with each individual. These biometrics are biologically unique to the individual; once compromised, the individual has *no* means by which to prevent identity theft, unauthorized tracking, or other unlawful or improper use of this information. This exposes individuals to serious and irreversible privacy risks. For example, if a biometric database is hacked, breached, or otherwise exposed – as in the recent Equifax and Uber data breaches – individuals have no means to prevent the misappropriation and theft of their proprietary biometric makeup. Thus, recognizing the need to protect its citizens from harms like these, Illinois enacted BIPA specifically to regulate the collection, use, safeguarding, handling, storage, retention, and destruction of biometric identifiers and information.

**B. Factual Allegations**

Plaintiff filed this class action against Defendant on July 27, 2021, to redress Defendant’s unlawful collection, use, storage, and disclosure of biometric information of Illinois citizens under BIPA. In his Class Action Complaint, Plaintiff provided allegations that Defendant has and continues to violate BIPA through the collection of fingerprint-based biometrics without: (1) informing individuals in writing of the purpose and length of time for which fingerprint(s) were being collected, stored and used; (2) providing a publicly available retention schedule or guidelines for permanent destruction of the data; and (3) obtaining a written release, as required by BIPA. *See* Complaint (“Compl.”) at ¶¶ 6-8, 32-42, 48-62, 76-103.

Accordingly, Defendant's practices violated BIPA. As a result of Defendant's violations, Plaintiff and similarly-situated individuals were subject to Defendant's uniform policies and practices and were victims of its scheme to unlawfully collect, store, and use individuals' biometric data in direct violation of BIPA.

Plaintiff now seeks class certification for the following similarly-situated individuals, defined as:

All persons who were enrolled in the biometric timekeeping system and subsequently used a biometric timeclock while employed/working for Defendant in Illinois during the applicable statutory period.

*Id.* at ¶ 71.

Given Defendant's standard practices defined above and the straightforward and common legal questions presented in this case, Plaintiff now moves for class certification. Notably, this motion is being filed shortly after the Complaint was filed and before the Defendant has responded. For the reasons discussed herein, Plaintiff's request should be granted.

## **II. STANDARD FOR CLASS CERTIFICATION**

"The basic purpose of a class action is the efficiency and economy of litigation." *CE Design Ltd. v. C & T Pizza, Inc.*, 2015 IL App. (1st) 131465, ¶ 9 (Ill. App. Ct. May 8, 2015) (citing *Miner v. Gillette Co.*, 87 Ill. 2d 7, 14 (1981)). "In determining whether to certify a proposed class, the trial court accepts the allegations of the complaint as true and should err in favor of maintaining class certification." *CE Design Ltd.*, 2015 IL App. (1st) 131465, ¶ 9 (citing *Ramirez v. Midway Moving & Storage, Inc.*, 378 Ill. App. 3d 51, 53 (2007)). Under Section 2-801 of the Code of Civil Procedure, a class may be certified if the following four requirements are met:

- (1) the class is so numerous that a joinder of all members is impracticable;
- (2) there are questions of fact or law common to the class that predominate over any questions affecting only individual members;

- (3) the representative parties will fairly and adequately protect the interest of the class; and
- (4) the class action is an appropriate method for the fair and efficient adjudication of the controversy.

*See Smith v. Illinois Cent. R.R. Co.*, 223 Ill. 2d 441, 447 (2006) (citing 735 ILCS 5/2-801). Notably, “[a] trial court has broad discretion in determining whether a proposed class meets the requirements for class certification.” *CE Design Ltd.*, 2015 IL App. (1st) 131465, ¶ 9 (citing *Ramirez*, 378 Ill. App. 3d at 53). Here, the allegations and facts in this case amply demonstrate that the four certification factors are met.

### **III. ARGUMENT**

Plaintiff’s claims here are especially suited for class certification because Defendant treated all class members identically for the purposes of applying BIPA. All of the putative class members in this case were uniformly subjected to the same illegal and unlawful collection, storage, and use of their biometric data by Defendant throughout the class period. Plaintiff meets each of the statutory requirements for maintenance of this suit as a class action. Thus, the class action device is ideally suited and is far superior to burdening the Court with many individual lawsuits to address the same issues, undertake the same discovery, and rely on the same testimony.

#### **A. The Class Is So Numerous That Joinder of All Members Is Impracticable.**

Numerosity is not dependent on a plaintiff setting forth a precise number of class members or a listing of their names. *See Cruz v. Unilock Chicago*, 383 Ill. App. 3d 752, 771 (2d Dist. 2008) (“Of course, plaintiffs need not demonstrate a precise figure for the class size, because a good-faith, nonspeculative estimate will suffice; rather, plaintiffs need demonstrate only that the class is sufficiently numerous to make joinder of all of the members impracticable.”) (internal citations omitted); *Hayna v. Arby’s, Inc.*, 99 Ill. App. 3d 700, 710-11 (1st Dist. 1981) (“It is not necessary that the class representative name the specific individuals who are possibly members of the

class.”). Courts in Illinois generally find numerosity when the class is comprised of at least 40 members. *See Wood River Area Dev. Corp. v. Germania Fed. Sav. Loan Ass’n*, 198 Ill. App. 3d 445, 450 (5th Dist. 1990).

In the present case, there can be no serious dispute that Plaintiff meets the numerosity requirement. The class of potential plaintiffs is sufficiently large to make joinder impracticable. As result of Defendant’s violations of BIPA, Plaintiff and all similar-situated individuals were subject to Defendant’s uniform policies and practices and were victims of Defendant’s schemes to unlawfully collect, store and use their extremely personal and private biometric data in direct violation of BIPA. The precise number in the class cannot be determined until discovery records are obtained from Defendant. Nevertheless, class membership can be easily determined by reviewing Defendant’s records. A review of Defendant’s files regarding the collection, storage and use of biometric data performed during the class period is all that is needed to determine membership in Plaintiff’s proposed classes. *See e.g., Chultem v. Ticor Title Ins. Co.*, 401 Ill. App. 3d 226, 233 (1st Dist. 2010) (reversing Circuit Court’s denial of class certification and holding that class was certifiable over defendants’ objection that “the proposed class was not ascertainable, because the process of reviewing defendants’ transaction files to determine class membership would be burdensome”); *Young v. Nationwide Mut. Ins. Co.*, 693 F.3d 532, 539-40 (6th Cir. 2012)<sup>1</sup> (rejecting the argument that manual review of files should defeat certification agreeing with district court’s reasoning that, if manual review was a bar, “defendants against whom claims of wrongful conduct have been made could escape class-wide review due solely to the size of their businesses

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<sup>1</sup> “Section 2-801 is patterned after Rule 23 of the Federal Rules of Civil Procedure and, because of this close relationship between the state and federal provision, ‘federal decisions interpreting Rule 23 are persuasive authority with regard to questions of class certification in Illinois.’” *Cruz*, 383 Ill. App. 3d at 761 (quoting *Avery v. State Farm Mutual Automobile Insurance Co.*, 216 Ill.2d 100, 125 (2005)).

or the manner in which their business records were maintained,” and citing numerous courts that are in agreement, including *Perez v. First Am. Title Ins. Co.*, 2009 WL 2486003, at \*7 (D. Ariz. Aug. 12, 2009) (“Even if it takes a substantial amount of time to review files and determine who is eligible for the [denied] discount, that work can be done through discovery”). Once Defendant’s records are obtained, the Court will know the precise number of persons affected.

Absent certification of this class action, putative class members may never know that their legal rights have been violated and as a result may never obtain the redress to which they are entitled under BIPA. Illinois courts have noted that denial of class certification where members of the putative class have no knowledge of the lawsuit may be the “equivalent of closing the door of justice” on the victims. *Wood River Area Dev. Corp. v. Germania Fed. Sav. & Loan Assn.*, 198 Ill.App.3d 445, 452 (5th Dist. 1990). Further, recognizing the need to protect its citizens from harms such as identity theft, Illinois enacted BIPA specifically to regulate the collection, use, safeguarding, handling, storage, retention, and destruction of biometric identifiers and information. A class action would help ensure that Plaintiff and all other similarly-situated individuals have a means of redress against Defendant for its widespread violations of BIPA.

**B. Common Questions Of Law And Fact Exist That Predominate Over Any Questions Solely Affecting Individual Members Of The Class.**

Courts analyze commonality and predominance under Section 2-801 by identifying the substantive issues that will control the outcome of the case. *See Bemis v. Safeco Ins. Co. of Am.*, 407 Ill. App. 3d 1164, 1167 (5th Dist. 2011); *Cruz*, 383 Ill. App. 3d at 773. The question then becomes whether those issues will predominate and whether they are common to the class, meaning that “favorable adjudication of the claims of the named plaintiffs will establish a right of recovery in other class members.” *Cruz*, 383 Ill. App. 3d at 773. As stated by the Court of Appeals,



the question is will “common . . . issues be the subject of the majority of the efforts of the litigants and the court[?]” *Bemis*, 407 Ill. App. 3d at 1168. The answer here is “yes.”

At the heart of this litigation is the culpable conduct of the Defendant under BIPA. The issues are simple and straightforward legal questions that plainly lend themselves to class-wide resolution. Notwithstanding the clear and unequivocal requirements of the law, Defendant disregarded Plaintiff’s and other similarly-situated individuals’ statutorily-protected privacy rights and unlawfully collected, stored, and used their biometric data in direct violation of BIPA. Specifically, Defendant has violated BIPA because it failed to: (1) inform Plaintiff or the putative class in writing of the specific purpose and length of time for which their biometrics were being collected, stored, and used, as required by BIPA; (2) provide a publicly available retention schedule and guidelines for permanently destroying Plaintiff’s and the putative class’s biometrics, as required by BIPA; and (3) receive a written release from Plaintiff or the putative class to collect, capture, or otherwise obtain their biometrics, as required by BIPA. Defendant treated the entire proposed class in precisely the same manner, resulting in identical violations of BIPA. These common biometric-collection practices create common issues of law and fact. In fact, the legality of Defendant’s collection, storage, and use of biometric data is the focus of this litigation.

Indeed, once this Court determines whether Defendant’s practice of collecting, storing, and using individuals’ biometric data without adhering to the specific requirements of BIPA constitutes violations thereof, liability for the claims of class members will be determined in one stroke. The material facts and issues of law are substantially the same for the members of the class, and therefore these common issues could be tried such that proof as to one claimant would be proof as to all members of the class. This alone establishes predominance. The only remaining questions will be whether Defendant’s violations caused members of the class to suffer damages and the

proper measure of damages and injunctive relief, which in and of themselves are questions common to the class. Accordingly, a favorable adjudication of the Plaintiff's claims in this case will establish a right of recovery to all other class members, and thus the commonality and predominance requirements weigh in favor of certification of the class.

C. **The Named Plaintiff and Class Counsel Are Adequate Representatives of The Class.**

When evaluating adequacy, courts look to whether the named plaintiff has the same interests as those of the class and whether he or she will fairly represent them. *See CE Design Ltd.*, 2015 IL App. (1st) 131465, ¶ 16. In this case, Plaintiff's interest arises from statute. The class representative, Fabio Garfias, is a member of the proposed class and will fairly and adequately protect the class's interests. Plaintiff was required to scan his fingerprint to enable Defendant to use it as an authentication method to track his time. Defendant subsequently stored Plaintiff's biometrics in its database(s). Each time Plaintiff began and ended his workday, he was required to scan his finger. Plaintiff has never been informed of the specific limited purposes (if any) of length of time for which Defendant collected, stored, or used his fingerprints. Plaintiff has never been informed of any biometric data retention policy developed by Defendant, nor has he ever been informed of whether Defendant will ever permanently delete any stored biometrics. Finally, Plaintiff has never been provided nor did he ever sign a written release allowing Defendant to collect, store, or use his biometrics. Thus, Plaintiff was a victim of the same uniform policies and practices of Defendant as the individuals he seeks to represent and is not seeking any relief that is potentially antagonistic to other members of the class. What is more, Plaintiff has the interests of those class members in mind, as demonstrated by his willingness to sue on a class-wide basis and step forward as the class representative, which subjects Plaintiff to discovery. This qualifies

Plaintiff as a conscientious representative plaintiff and satisfies the adequacy of representation requirement.

Proposed Class Counsel, Peiffer Wolf Carr & Kane, APLC ("PWCK"), will also fairly and adequately represent the class. Proposed Class Counsel are highly qualified and experienced attorneys. (See Exhibit B - PWCK Firm Resume). PWCK attorneys, are recognized attorneys in class action lawsuits and have been designated as class counsel in numerous class actions in state and federal courts. (*Id.*). Thus, proposed Class Counsel, too, are adequate and have the ability and resources to manage this lawsuit.

**D. A Class Action Is The Appropriate Method For Fair And Efficient Adjudication Of This Controversy.**

Finally, a class action is the most appropriate method for the fair and efficient adjudication of this controversy, rather than bringing individual suits which could result in inconsistent determinations and unjust results. "It is proper to allow a class action where a defendant is alleged to have acted wrongfully in the same basic manner toward an entire class." *P.J.'s Concrete Pumping Service, Inc. v. Nextel West Corporation*, 345 Ill. App. 3d 992, 1003 (2d Dist. 2004). "The purported class representative must establish that a successful adjudication of its individual claims will establish a right of recovery or resolve a central issue on behalf of the class members." *Id.*

Here, Plaintiff's claim stems from Defendant's common and uniform policies and practices, resulting in common violations of BIPA for all members of the class. Thus, class certification will obviate the need for unduly duplicative litigation that might result in inconsistent judgments concerning Defendant's practices. *Wenthold v. AT&T Technologies, Inc.*, 142 Ill. App. 3d 612 (1st Dist. 1986). Without a class, the Court would have to hear dozens of additional individual cases raising identical questions of liability. Moreover, class members are better served

by pooling resources rather than attempting to litigate individually. *CE Design Ltd.*, 2015 IL App. (1st) 131465, ¶¶ 28-30 (certifying TCPA class where statutory damages were alleged and rejecting arguments that individual lawsuits would be superior). In the interests of justice and judicial efficiency, it is desirable to concentrate the litigation of all class members' claims in a single forum. For all of these reasons, the class action is the most appropriate mechanism to adjudicate the claims in this case.

**E. In The Event The Court Or Defendant Seeks More Factual Information Regarding This Motion, The Court Should Allow Supplemental And Deferred Briefing Following Discovery.**

There is no meaningful need for discovery for the Court to certify a class in this matter; Defendant's practices and policies are uniform. If, however, the Court wishes for the Parties to engage in discovery, the Court should keep the instant motion pending during the discovery period, allow Plaintiff a supplemental brief, and defer Defendant's response and Plaintiff's reply. Plaintiff is moving as early as possible for class certification in part to avoid the "buy-off problem," which occurs when a defendant seeks to settle with a class representative on individual terms in an effort to moot the class claims asserted by the class representative. Plaintiff is also moving for class certification now because the class should be certified, and because no meaningful discovery is necessary to establish that fact. The instant motion is far more than a placeholder or barebones memorandum. Rather, Plaintiff's full arguments are set forth based on the facts known at this extremely early stage of litigation. Should the Court wish for more detailed factual information, the briefing schedule should be extended.

**IV. Conclusion**

For the reasons stated above, Plaintiff respectfully requests that the Court enter an Order: (1) certifying Plaintiff's claims as a class action; (2) appointing Plaintiff as Class Representative; (3) appointing Peiffer Wolf Carr & Kane as Class Counsel; and (4) authorizing court-facilitated

notice of this class action to the class. In the alternative, this Court should allow discovery, allow Plaintiff to supplement this briefing, and defer response and reply briefs.

Date: July 28, 2021

Respectfully Submitted:

By: /s/ Brandon M. Wise

Brandon M. Wise – IL Bar # 6319580

Paul A. Lesko – IL Bar # 6288806

Adam Florek – IL Bar # 6320615

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**CERTIFICATE OF SERVICE**

I hereby certify that on this date, I filed the foregoing document with the clerk of the Court using the Illinois E-Filing System, which should further distribute a true and accurate copy of the foregoing to all counsel of record.

/s/ Brandon M. Wise

Hearing Date: 11/24/2021 10:00 AM - 10:00 AM

Courtroom Number: 2405

Location: District 1 Court

Cook County, IL

FILED  
7/28/2021 4:33 PM  
IRIS Y. MARTINEZ  
CIRCUIT CLERK  
COOK COUNTY, IL  
2021CH03660

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# EXHIBIT B



## PEIFFER WOLF CARR & KANE, APLC

Peiffer Wolf Carr & Kane, APLC ("PWCK") was founded in 2013. Joseph Peiffer, PWCK's managing partner, previously was a litigation partner at Fishman Haygood, LLP in New Orleans. PWCK handles a wide variety of cases, including a variety of collective, class, and mass actions. Since its inception, PWCK has acquired talented attorneys from coast to coast, becoming a national litigation firm.

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### ATTORNEY PROFILES

**Brandon Wise** joined the firm after managing his own solo practice that focus on class, collective, and employment matters. Brandon has successfully litigated collective and class action cases in St. Louis, Southern Illinois, and Central Illinois. Brandon has served as class or collective counsel in the following resolved collective and class matters:

*Volz, et al. v. Provider Plus, Inc., et al.*, a Fair Labor Standards Act ("FLSA") collective action involving 45 collective action members. The confidential settlement agreement was approved by Judge Mummert within hours of its submission to the court.

*Carver, et al. v. Foresight Energy LP, et al.*, WARN Act litigation brought on behalf of a class of former coal miners. Mr. Wise secured the first reported decision, a significant legal victory, regarding the WARN Act's "natural disaster" exception. 2016 WL 3812376 (Opinion entered July 12, 2016). After the defendants' motion to dismiss was denied, the parties reached a class-wide settlement of \$550,000 for a class of 75 employees.

*Volz v. Tricorp management Company, et al.*, a FLSA collective in class action where Mr. Wise was appointed Class Counsel. The parties reached a \$350,000 settlement for bartenders, servers, hosts, and other tipped employees of the largest T.G.I. Friday's franchisee in the Midwest.

*Morris v. Imperial Towers Condominium Assn.*, Biometric Information Privacy Act ("BIPA") class action settlement approved naming Brandon Wise as Class Counsel. The \$120,000 settlement for 60 class members is one of the highest BIPA class settlements per class member in the country.

Brandon currently serves as class or putative class counsel in other matters, as well.

**Paul Lesko** joined PWCK in August of 2016, co-founding the St. Louis office of the firm with Brandon Wise. His practice consists of representing individuals, startups, and small companies that have been harmed by larger corporations. With his biotech background, Paul focuses on prosecuting complex technological cases, including patent and class actions. Paul has specific experience litigating GMO crop cases as well as cases focusing on pesticide and herbicide technologies.

**Joseph Peiffer** is the managing member of PWCK. His practices consist of representing individuals and institutions that have been harmed by investment banks and brokerage firms, prosecuting ERISA class actions, and representing victims of labor trafficking and those who have suffered catastrophic injury. He has co-authored a

treatise Litigating Business and Commercial Tort Cases, which is published by Thompson West.

Joe has also taught and lectured extensively. He co-created and taught a class entitled Storytelling and Advocacy at Loyola Law School. Also, at Loyola Law School, he has taught a course entitled "The Basics of Arbitration" and he also serves as an adjunct professor teaching Trial Advocacy. He has guest lectured at Tulane Law School in its Securities Regulations class and Syracuse Law School on securities arbitration. He has spoken at many national conventions on a variety of topics including prosecuting large, multi-client claims, broker's deficient advice to retire and FINRA arbitration.

Joe has represented hundreds of individual retirees against their brokers in FINRA arbitration. The highlights of this practice include representing 32 Exxon retirees in a 90-day FINRA arbitration against Securities America that resulted in a \$22 million verdict — one of the largest ever awarded by a FINRA arbitration panel. He has also represented hundreds of Xerox and Kodak retirees against their broker resulting from the broker's fraudulent advice to retire and subsequent unsuitable investments. He has represented hundreds of families in cases involving private placements and Ponzi schemes.

His financial services fraud practice also includes representing hospitals and municipalities around the country in cases involving their issuance of auction rate securities. He also serves as co-lead counsel on several ERISA class actions against large financial services firms alleging that they did not prudently invest retirement money and had conflicts of interest. He also is on the plaintiffs' steering committee in a nationwide antitrust class action involving the illegal tying of cable set-top boxes to the provision of premium cable services. Joe also currently represents hundreds of clients in cases involving serious injuries sustained by pharmaceutical products.

Finally, he represents victims of human trafficking and labor exploitation. In one such case, the plaintiffs have alleged that the defendants have failed to pay overtime, improperly deducted for employee housing, and held the plaintiffs passports while in the United States. He has travelled extensively to the Philippines for this case and another one involving a rig explosion where two of his clients working on a rig owned by Black Elk exploded.

Joe was one of three Louisiana lawyers ranked by Chambers USA for securities litigation in 2011. He has been named a 2013 Rising Star by his peers in the Class Action Administration organization. He has been quoted by USA Today, Wall Street Journal, the Associated Press, New York Times, New York Daily News, The Los Angeles Times, Business Week, Investment News, and many other publications. Mr. Peiffer has also appeared on CNN. He was named as one of the fifty Leaders in Law by New Orleans City Business Magazine.

He has also successfully risen into the leadership of several national bar associations. He twice served as the chairman of the Business Torts Section of the American Association for Justice. He currently serves as President of PIABA – a nationwide bar association of lawyers that represent individuals and institutions in arbitrations to recover money lost by investment banks and brokerage firms.

Joe graduated from Tulane School of Law, cum laude, in 1999. While at Tulane, he served on the Tulane Law Review and was involved with the Tulane Legal Assistance Program. Prior to attending Tulane, he graduated from Bowling Green State University in 1996 with a degree in communications.

**Adam Wolf** has developed a national reputation as a leading appellate, complex litigation, and civil rights litigator. He successfully argued a case in the United States Supreme Court, *Safford Unified School District No. 1 v. Redding*, 557 U.S. 364 (2009), that defined the scope of the Fourth Amendment regarding strip searches in public schools. The Court's opinion in *Safford* marked the first time in forty years that the Supreme Court ruled in favor of a student who claimed that her school violated her constitutional rights. For his efforts in this case, Mr. Wolf was named Attorney of the Year in California by California Lawyer Magazine.

Mr. Wolf has argued in numerous federal and state courts of appeals, in addition to the United States Supreme Court. He has represented groups and individuals whose constitutional rights have been violated, organizations who seek to vindicate their rights, and governmental entities who were harmed by corporate misconduct.

Mr. Wolf has lectured around the country regarding constitutional law and civil rights. He has been quoted in hundreds of domestic and international newspapers, including the New York Times, Washington Post, Los Angeles Times, USA Today, and Wall Street Journal. Additionally, Mr. Wolf has appeared on numerous television and radio programs, including Good Morning America, CBS Evening News, ABC World News, NBC Nightly News, CNN Headline News, National Public Radio, and the BBC.

Mr. Wolf has been appointed to leadership positions in numerous class actions and mass actions throughout the country.

**Daniel Carr** represents a diverse client base in a variety of commercial disputes, complex litigation, and arbitration. Daniel handles numerous state and federal lawsuits for individuals and businesses, and he currently represents investors, and municipalities in FINRA arbitration proceedings. Together with Joe Peiffer, Daniel also serves as co-counsel in several ERISA and antitrust class action lawsuits and represents individuals in litigation involving pharmaceutical products, labor exploitation, fraudulent investments, and wrongful death.

Daniel is a member of several nationwide bar associations, including PIABA (Public Investors Arbitration Bar Association), and he previously served on the board of directors of the Business Torts Section of the American Association for Justice.

Daniel received his law degree from Tulane School of Law, *summa cum laude*, in 2006. While at Tulane, he was elected Senior Articles Editor for the Tulane Law Review, and he worked as a fellow in the Legal Analysis Program. Following law school, Daniel was privileged to serve as a law clerk to Judge Jacques L. Wiener, Jr., on the United States Court of Appeals for the Fifth Circuit.

**Jason Kane** is a securities attorney practicing out of the firm's Upstate New York office. He has extensive experience representing investors in Financial Industry Regulatory Authority arbitrations and New York State Courts.

Jason graduated from the State University of New York at Geneseo in 2004 having earned his B.A. in Economics. Thereafter, Jason attended the Syracuse University College of Law, and received his Juris Doctorate, *Cum Laude*, in 2007.

While attending the Syracuse University College of Law, Jason served as a form and accuracy editor for the Syracuse Journal of International Law and Commerce. He also gained valuable experience as a student law clerk for Magistrate Judge George H. Lowe and served as a volunteer at the United States Attorney's Office in the Northern District of New York where he assisted the Assistant United States Attorneys prosecute their cases.

Jason has represented hundreds of investors in Upstate New York and around the country in some of the highest profile securities cases originating out of Upstate New York. He has recovered millions of dollars in FINRA arbitration and mediation while representing individuals against their former brokers and brokerage firms. He often assists his victimized clients through the regulatory investigations that result from the large scale scams perpetrated by their unscrupulous brokers.

#### REPRESENTATIVE CASES

PWCK attorneys were appointed class counsel or serve as counsel in numerous class and collective actions, including:

*Whitley, et al. v. J.P. Morgan Chase & Co., et al.*, a class action lawsuit on behalf of retirement investors against J.P. Morgan Chase & Co. and various other J.P. Morgan entities over the sale and administration of the JP Morgan Stable Value Fund. Received preliminary approval for a class wide settlement of \$75 million.



*Volz, et al. v. Provider Plus, Inc., et al.*, a Fair Labor Standards Act ("FLSA") collective action involving 45 collective action members. The confidential settlement agreement was approved by Judge Mummert.

*Nevarez v. Forty Niners Football Company*, a certified class action, on behalf of nearly 5,000 class members with mobility disabilities who were denied equal access to Levi's Stadium in violation of the Americans with Disabilities Act.

*Baricuarto, et al. v. Industrial Personnell and Management Services, Inc. et al.*, a human trafficking case that required extensive travel and litigation in the Philippines, and resulted in a multi-million dollar settlement.

*In re Pacific Fertility Center Litigation*, a putative class action on behalf of nearly 1,000 people whose embryos were compromised in a freezer tank at a fertility center.

*Amador v. California Culinary Academy*, representing a certified class of former students of for-profit school California Culinary Academy regarding class members' student loans.

*Bilewicz v. FMR LLC*, a case brought on behalf of current and former employees of Fidelity Investments, alleging that Fidelity violated ERISA by offering exclusively high-fee Fidelity mutual fund products in its retirement plan and by repeatedly adding funds to the plan with little or no track record. Plaintiffs further alleged that the Fidelity plan's fees are very high for a multi- billion dollar plan, and Fidelity has failed to follow sound fiduciary practices for multi-billion dollar plans. This case was successfully settled, and PWCK was approved as co-class counsel in that action.

*Carver, et al. v. Foresight Energy LP, et al.*, WARN Act litigation brought on behalf of a class of former coal miners. PWCK secured the first reported decision, a significant legal victory, regarding the WARN Act's "natural disaster" exception. 2016 WL 3812376 (Opinion entered July 12, 2016). After the defendants' motion to dismiss was denied, the parties reached a proposed class-wide settlement of \$550,000 for a class of 75 employees.

*Volz v. Tricorp management Company, et al.*, a FLSA collective in class action where PRW Legal attorney was appointed class counsel. Settled for \$350,000, for bartenders, servers, hosts, and other tipped employees of the largest T.G.I. Friday's franchisee in the Midwest.

*Hanson v. Berthel Fisher & Company Financial Services, Inc., et al.*, a securities class action filed on behalf of investors in a real estate investment program that raised approximately \$26 million from the investing public. Claims were predicated upon the role played by Berthel Fisher, the managing broker-dealer of the program that allegedly organized and oversaw the securities offering by the Program while aware of misrepresentations and



omissions in the Program's offering documents.

*Booth et al. v. Strategic Realty Trust, Inc., et al.*, a securities class action where plaintiffs contended that throughout the offering period, the Strategic Realty Trust offering materials contained materially inaccurate and incomplete statements about the company's investment strategy, internal controls, and governance mechanisms. Plaintiffs alleged that their investments lost value as a result of defendants' acts and omissions.

*Thieriot v. Celtic Ins. Co.*, a certified class action where settlement was approved on behalf of a class of people who were overcharged by a health insurer in violation of state law.

PWCK currently serves as counsel for plaintiffs in numerous other class and mass actions, including:

*In re: FedLoan Student Loan Servicing Litigation*, 2:18-md-02883 (E.D. Penn.) consolidated multi-district litigation involving one of the nation's largest student loan servicers. Attorney Brandon Wise was appointed to the Plaintiffs' Executive Committee.

*In re: Dicamba Herbicides Litigation*, 1:18-md-02820-SNLJ (E.D. Mo), consolidated multi-district litigation involving the alleged unlawful release of a genetically modified seed and herbicide system.

*Albers, et al. v. Deloitte & Touche LLP, et al.*, a mass securities action where PWCK represents over 100 investors with claims exceeding \$100 million in action alleging violations of state securities laws.

*Yao-Yi Liu et al. v. Wilmington Trust Company*, a class action lawsuit on behalf of investors of a fraudulent scheme against Wilmington Trust alleging that Wilmington Trust breached its duties as an escrow agent and aided the perpetrators of the scheme.

*In re Platinum and Palladium Antitrust Litigation*, a case involving claims against BASF Metals, Goldman Sachs, HSBC, and Standard Bank. Plaintiffs allege that Defendants were involved in an unlawful price-setting process of platinum and palladium in violation of the Sherman Act.

*Fouts v. Bank of Nova Scotia, New York Agency et al.*, a class action filed on behalf of holders of debt with interest rates linked to the US Treasuries auction rates, alleging violations of the federal antitrust and commodities laws arising from manipulation of the prices of Treasury securities and related financial instruments through collusion by the primary dealers of U.S. Treasury Department securities.

*In re Fidelity ERISA Float Litigation*, a case involving claims brought by participants in various ERISA plans administered by Fidelity, on behalf of those plans, alleging that Fidelity violated ERISA by improperly using “float” income received as interest on plan assets to pay itself fees and failing to crediting the amount of that float income to the plans or their participants.

*American Chemicals & Equipment Inc. 401(K) Retirement Plan v. Principal Management Corporation, et al.*, a case involving claims brought by ACE 401(k) Plan, on behalf of the shareholders of six mutual funds, against the investment advisors for those funds. Plaintiff alleges that the defendants breached their statutory fiduciary duty under Section 36(b) of the Investment Company Act of 1940 (“ICA”), 15 U.S.C. § 80a-35(b), by charging unfair and excessive fees for their advisory services and retaining excess profits derived from economies of scale.

*Jennifer Roth v. Life Time Fitness, Inc.*, a class action lawsuit filed on behalf of fitness instructors seeking unpaid wages for work that was required by Defendants. Plaintiff alleges that fitness instructors were not compensated for the work they performed before and after fitness classes.

*Carol Prock v. Thompson National Properties, LLC, et al.*, a securities class action filed on behalf of investors in the TNP 6700 Santa Monica Boulevard, a real estate investment program that raised approximately \$17 million from the investing public. Claims are predicated upon alleged material misrepresentations and omissions in the program’s offering documents by its sponsor and officers and directors of the sponsor.

*In re Dental Supplies Antitrust Litigation*, a class action lawsuit filed on behalf of dental practices, orthodontic practices, and dental laboratories alleging that the country’s three largest distributors of dental supplies and equipment agreed not to compete on price and caused injury to plaintiffs in the form of artificially inflated prices.

*Matthew Fero et al. v. Excellus Health Plan Inc.*, a class action lawsuit filed on behalf of plaintiffs whose personal information was compromised as a result of a data breach that is alleged to have gone undetected for a 600-day period.